

CITY COUNCIL STAFF REPORT MEETING DATE: NOVEMBER 19, 2003

Agenda Item #	1
Prepared and Submitted By:	
Submitted by.	
City Manager	

REVIEW OF MEDICAL SERVICES OBJECTIVES

RECOMMENDED ACTION(S): Conduct a Workshop and Revise Medical Services Objectives, as Appropriate.

EXECUTIVE SUMMARY:

In 1999, the owners of the former Saint Louise Hospital closed the acute care general hospital and its 24 hour emergency room, and terminated or did not renew leases for occupancy of the adjacent medical office building.

Even before the closure, the City Council recognized the importance of this decision to the medical services available in Morgan Hill and took steps, first, to prevent the closure, and then to identify alternatives for the facility that could restore medical services.

In April 2000, the Council adopted a formal set of Medical Services Objectives to guide the staff's and Council's efforts. In the next year, Council assisted in the formation of the Morgan Hill Community Health Foundation, a community based non profit organization, with the responsibility for implementing the Council's objectives.

Now, about three and one-half years later, the Council has scheduled a workshop to review progress on achieving those objectives, and to determine if any revisions or adjustments are appropriate to guide future actions.

The attached memorandum provides the following background information:

- History of City Efforts;
- Summary of Progress on Achieving the Objectives; and
- Suggestions for Possible Revisions to the Objectives.

FISCAL IMPACT:

Of the total of \$500,000 budgeted for the work of the Morgan Hill Community Health Foundation, \$5,000 remains to be allocated, pending final accounting of the Foundation's fund raising efforts. Any modifications to the Objectives that would require additional expenditures of public funds would require modifications to the Five Year Financial Forecast.



Memorandum City Manager's Office

Date: November 19, 2003

To: City Council

From: Ed Tewes, City Manager

Subject: Medical Services Objectives

History

Since the adoption of specific Medical Services Objectives in April 2000, a lot has happened, and a lot has changed. The Council has requested a workshop to review the progress and consider changes to the objectives.

In July 2000, the Council heard a report from its Medical Services Subcommittee on how the City could take a more active role in achieving the policy objectives. The Subcommittee recommended the appointment of a Blue Ribbon Task Force "to explore the establishment of a separate health care district with an appropriate organizational structure and financial base to take the lead."

In September 2000, the Council appointed a Blue Ribbon Task Force on Community Healthcare with the charge of preparing "recommendations on the formation of a non profit foundation, or other appropriate mechanism, which will provide ongoing leadership in marshalling all community resources to accomplish the policy objectives of the Council."

The Blue Ribbon Task Force presented its report in January 2001 with a series of action steps summarized as:

- 1. Establish a Community Healthcare Foundation to provide healthcare services, including a hospital.
- 2. Conduct a feasibility study to determine the amount of philanthropic dollars that can be raised
- 3. Pursue facilities and land for a hospital.
- 4. Keep a site zoned for a hospital.
- 5. Insure that the citizens maintain control over healthcare's destiny.
- 6. Develop a business and marketing plan for medical services.

In February 2001, the Council considered a staff report on "Implementation of the Blue Ribbon Task Force Recommendations" and made critical decisions including establishment of the Morgan Hill Community Health Foundation, and appropriation of \$500,000 over two years to help get the Foundation started. The Council also endorsed a strategy that focused on preserving facilities in which medical services could be provided. It asked the Foundation to begin discussions with the owners of the former Saint Louise Hospital about acquisition, and to explore options for financing. The Council also asked the Foundation to develop a strategy for attracting new primary care physicians, and for extending the hours of access to urgent care services.

In July 2001, the Council adopted an updated General Plan that included the following action statements:

"17.4 Ensure that a sufficient supply of appropriately located vacant land is planned and zoned for medical services."

"Assist in the formation of a healthcare foundation charged with developing and implementing a plan for attracting physicians and other medical services, and with establishing an acute care hospital in the city."

The former Saint Louise campus had been tentatively sold to the San Jose Christian College, who sought zoning approval to establish a campus in Morgan Hill. For a variety of reasons, including the inadequacy of the environmental review, the Council denied the zoning. Later, the Daughters of Charity took back ownership of the facility in a larger transaction involving several hospitals owned by Catholic Healthcare West.

In April 2002, the Morgan Hill Community Health Foundation requested Council approval of a joint planning effort with Saint Louise Regional Hospital, and approval of a physician recruitment program.

In June 2002, at the request of the Daughters of Charity, the City entered into contract by which it agreed to foreswear certain legal arguments in the event of an eminent domain action to acquire the facility. In turn, the Daughters agreed to appoint a community advisory committee and to develop a plan for restoring medical services at the former Saint Louise facility.

In 2003, administrative responsibility for the Morgan Hill campus was shifted from Saint Louise Regional Hospital to O'Connor Hospital. On September 24, 2003, Joanne Allen of O'Connor announced the renaming of the facility to "DePaul Health Center," and announced an ambitious plan to fill up the vacant medical office building, and to plan for the use of the former hospital building for medical services.

Comments on the Objectives

Following a restatement of each of the Medical Services Objectives below, staff has provided comments relating to progress and prospects for accomplishment.

Objective:

An acute care hospital facility, but if unable to immediately achieve this objective, then the objective is to preserve flexibility for either the conversion of an existing facility to an acute care hospital or construction of a new facility.

Comment:

In 2000, the City commissioned a study that suggested it was unlikely there would be sufficient demand for a full service acute care hospital until there was significant population growth in Morgan Hill and Coyote Valley. In February 2001, the City Council denied a zoning application by San Jose Christian College (SJCC) to convert the former Saint Louise Hospital facility. SJCC filed unsuccessful litigation in State and Federal Court challenging the zoning decision; however, an appeal to the Ninth District Court of Appeal is still pending.

The Daughters of Charity Health System is the new owner of the former facility which has been named the DePaul Health Center. Administrative responsibility for developing the Medical Center has been assigned to the staff of O'Connor Hospital in San Jose. The current plan is to lease the medical office building for doctors' offices, and to explore other medical uses for the former hospital building including a potential specialty hospital.

The Morgan Hill Community Health Foundation recommends that this objective be reworded to establish a three year period during which the goal of a hospital would be pursued.

Objective:

Emergency care, but if unable to immediately achieve this objective, then 24 hour urgent care.

Comment:

The closest 24 hour emergency room is at the Saint Louise Regional Hospital in Gilroy. As before the closure of the Morgan Hill hospital, the nearest trauma center is in San Jose.

When the former owners of the hospital terminated leases, Morgan Hill lost an urgent care center. A few years later, another extended hours urgent care clinic closed when the San Jose Medical Group moved from their facility on Juan Hernandez Drive. During the deliberations of the Blue Ribbon Committee appointed by the Council, options for subsidizing urgent care were reviewed. The Community Health Foundation continues to explore proposals for launching an extended hours urgent care service with potential vendors. To date, all such proposals have indicated a need for an operating subsidy.

Kaiser Permanente has begun exploring the possibility of locating doctors' offices, a clinic, and an extended hours urgent care facility in Morgan Hill, but such a facility is not likely for a few years.

The Morgan Hill Community Health Foundation recommends that this objective be reworded to eliminate the reference to a "24 hour" urgent care facility.

Objective:

Obstetrics/gynecology services, a birthing center, and other associated services for women.

Comment:

The Morgan Hill Community Health Foundation assisted in recruiting two physicians who started an ob/gyn practice in the medical office building, but those doctors are no longer practicing in Morgan Hill.

It has been suggested by hospital providers that a separate birthing center is not a likely business objective for them since the delivery of babies is critical to their business model as a full service hospital.

It is anticipated that with the affiliation with O'Connor Hospital, the DePaul Health Center will be able to attract physicians who specialize in obstetrics and gynecology.

The County's South Valley Clinic in San Martin provides access to ob/gyn and women's services for lower income residents of the community.

Objective:

An ambulatory surgery center.

Comment: This objective calls for a type of medical service that would be compatible

with the plans for the DePaul Health Center.

Objective:

A sufficient complement of primary care physicians to support the community and/or to support an acute care facility.

Comment: With the closure of the former Saint Louise facility and the reorganization

by San Jose Medical Group, Morgan Hill lost many primary care

physicians. Of those remaining, the practices are either closed or limited to

"non-HMO" insured patients.

Of the \$500,000 allocated by the City to the Community Health Foundation, \$80,000 was specifically allocated for physician recruitment. This remains a high priority for the Foundation in cooperation with the DePaul Health

Center.

Objective:

A sufficient amount of appropriate lab, radiology, and other clinical services to support the community and/or to support an acute care facility.

Comment: The DePaul Health Center hopes to attract such services to the medical

office building and, perhaps, the former hospital building.

Objective:

Minimal financial risk to the City and taxpayers.

Comment: This objective should be clarified. To some it has meant "minimal City

taxpayer obligations," implying a low level of investment in medical services. To others it has meant "minimal business risk," implying that

there needed to be a sound business plan with a high potential for a return on investment in medical services at whatever level of investment.

The Morgan Hill Community Health Foundation is conducting a community survey to determine attitudes about levying taxes for medical services.

Objective:

Mechanisms to guarantee/secure the provision of the above components on an operational health care system over a period, not less than 20 years.

Comment:

As long as non-governmental entities (the Foundation or DePaul Health Center) are pursuing improvements in the local health care system, there are few opportunities for establishing any "guarantees." However, representatives of the DePaul Health Center have been adamant that the mission of the Daughters of Charity is to serve the poor and the sick, and it has never been contemplated that the physical plant in Morgan Hill would be used for any other purpose.

The Community Health Foundation is conducting a public survey to determine whether there is interest in exploring the establishment of a dedicated public funding source that might provide for some minimal guarantees of service.

Objective:

Provide services that serve the broadest segment of the Morgan Hill Community as possible.

Objective:

The above objectives may be achieved in an existing facility, or in a variety of facilities located throughout Morgan Hill.

Comment:

Three efforts are underway that will extend services to a broad range of the Morgan Hill Community utilizing a variety of facilities:

- 1. The County has established an insurance program for low income uninsured children, and has expanded services at the San Martin clinic.
- 2. Kaiser is planning a new facility for Morgan Hill.

3. The Daughters of Charity are working to re-establish medical services at the DePaul Health Center.

Secondary Objectives:

A skilled nursing facility, specialty surgery services, and a physical therapy/rehabilitation facility.

Comment:

- A skilled nursing facility is among the options being explored for the former Saint Louise Hospital.
- At one point, a specialty surgery hospital was evaluating a possible acquisition of the former Saint Louise facility, but that changed with the acquisition by the Daughters of Charity.
- The DePaul Health Center is working on a lease for a private physical therapy office that would be relocating from another facility in Morgan Hill.

Attachment: April 5, 2000 Adopted Policy Objectives for Medical Services in Morgan Hill

POLICY OBJECTIVES FOR MEDICAL SERVICES IN MORGAN HILL

Primary Objectives:

- An acute care hospital facility, but if unable to immediately achieve this objective, then the objective is to preserve flexibility for either the conversion of an existing facility to an acute care hospital or construction of a new facility.
- Emergency care, but if unable to immediately achieve this objective, then 24 hour urgent care.
- Obstetrics/gynecology services, a birthing center, and other associated services for women.
- An ambulatory surgery center.
- A sufficient complement of primary care physicians to support the community and/or to support an acute care facility.
- A sufficient amount of appropriate lab, radiology, and other clinical services to support the community and/or to support an acute care facility.
- Minimal financial risk to the City and taxpayers.
- Mechanisms to guarantee/secure the provision of the above components of an operational health care system over a period, not less than 20 years.
- Provide services that serve the broadest segment of the Morgan Hill Community as possible.
- The above objectives may be achieved in an existing facility, a new facility, or in a variety of facilities located throughout Morgan Hill.

Secondary Objectives:

- Skilled nursing facility
- Specialty surgery services
- Physical Therapy/Rehabilitation



CITY COUNCIL STAFF REPORT

MEETING DATE: November 19, 2003

	Prepared By:
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Finance Director

Agenda Item # 2

Submitted By:

City Manager

OCTOBER 2003 FINANCE & INVESTMENT REPORT

RECOMMENDED ACTION:

Accept and File Report

EXECUTIVE SUMMARY:

Attached is the monthly Finance and Investment Report for the period ended October 31, 2003. The report covers the first four months of activity for the 2003/2004 fiscal year. A summary of the report is included on the first page for the City Council's benefit.

The monthly Finance and Investment Report is presented to the City Council and our Citizens as part of our ongoing commitment to improve and maintain public trust through communication of our finances, budget and investments. The report also serves to provide the information necessary to determine the adequacy/stability of financial projections and develop equitable resource/revenue allocation procedures.

This report covers all fiscal activity in the City, including the Redevelopment Agency. The Redevelopment Agency receives a separate report for the fiscal activity of the Agency at the meeting of the Agency. Presenting this report is consistent with the goal of Maintaining and Enhancing the Financial Viability of the City.

FISCAL IMPACT: as presented

CITY OF MORGAN HILL Monthly Financial and Investment Reports

October 31, 2003 – 33% Year Complete



Prepared by:

FINANCE DEPARTMENT



CITY OF MORGAN HILL, CALIFORNIA FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2003/04 FOR THE MONTH OF OCTOBER 2003 - 33% OF YEAR COMPLETE

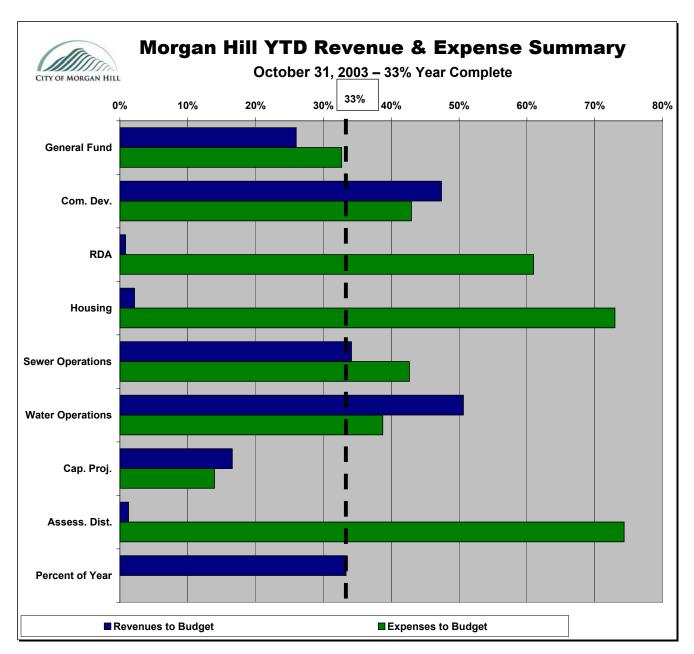
This analysis of the status of the City's financial situation reflects 33% of the year.

- **General Fund** The revenues received in the General Fund were approximately 26% of the budgeted revenues. The amount of Sales Tax collected was 29% of the sales tax revenue budget and was 12% less than the amount collected for the same period last year. Business license and other permit collections were 75% of the budgeted amount, a 1% decrease over the same period last year. Business license renewal fees are due in July; therefore the higher percent of budget collected early in the year is normal. Motor Vehicle-in-Lieu revenues were 15% of the budgeted amount, 56% less than the amount received at this time last year. This drop in Motor Vehicle-in-Lieu fees was caused by the State's elimination of the "State backfill" for these fees and the delay in implementation of higher fees that will offset this loss, resulting in much lower fees received by the City in July, August, September, and October 2003. The higher level of Motor Vehicle-in-Lieu fees will be received by the City beginning in November. Interest & Other Revenue were 27% of budget and reflect interest earnings only through September, since earnings for the quarter beginning October will be posted following the end of the second quarter in January. Certain current year revenues have not yet received this early in the year. Most property taxes, gas & electric franchise fees, and cable TV franchise fees will not be received by the City until later in the year.
- * The General Fund expenditures and encumbrances to date totaled 33% of the budgeted appropriations. The outstanding encumbrances in several activities are encumbrances for projects started but not completed in the prior year and carried forward to the current fiscal year.
- * Transient Occupancy (Hotel) Tax The TOT rate is 10%. The City receives transient occupancy taxes on a quarterly basis. Taxes for the first quarter of the current year amounted to \$270,117, or 30% of budget, which was 5% less than the prior year.
- * Community Development Revenues were 47% of budget, which was 21% more than the amount collected in the like period for the prior year. Planning expenditures plus encumbrances were 52% of budget; Building has expended or encumbered 33% of budget and Engineering 43%. Community Development has expended or encumbered a combined total of 43% of the 2003/04 budget, including \$467,309 in encumbrances. If encumbrances were excluded, Community Development would have spent only 28% of the combined budget.
- * RDA and Housing –Property tax increment revenues amounting to \$148,141 have been received as of October 31, 2003. The great bulk of these revenues will be received later in the fiscal year. Expenditures plus encumbrances totaled 58% of budget. If encumbrances totaling \$12,670,470 were excluded, the RDA would have spent only 31% of the combined budget. In July, the RDA spent \$3.4 million toward the Courthouse Project acquisition. In August, the Agency made a \$2.55 million installment payment toward the purchase of the Sports Fields Complex property, and, through October, incurred \$3.3 million in acquisition and construction costs related to the Butterfield Blvd. Phase IV Project. In July, the Agency also made a \$3 million loan to South County Housing for the Royal Court Housing Project.



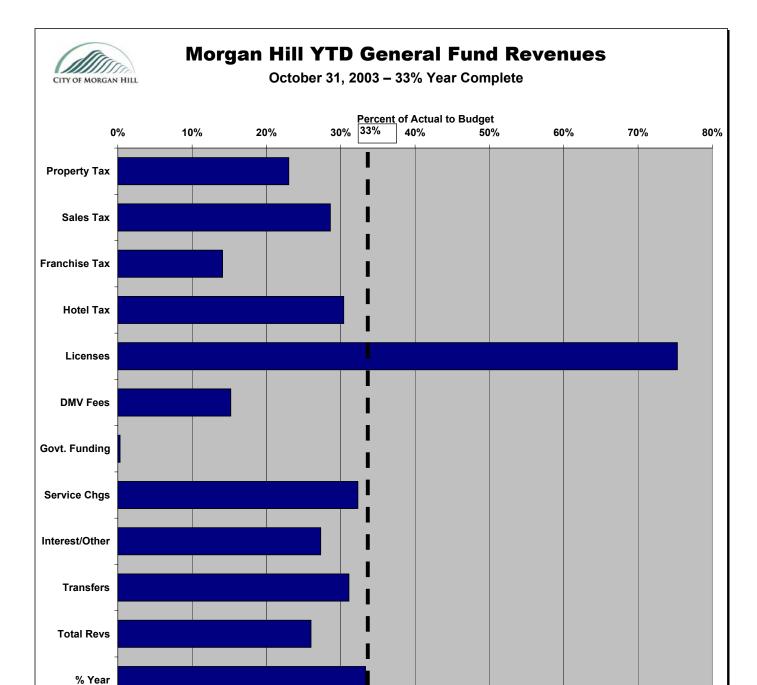
CITY OF MORGAN HILL, CALIFORNIA FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2003/04 FOR THE MONTH OF OCTOBER 2003 - 33% OF YEAR COMPLETE

- * Water and Sewer Operations- Water Operations revenues, including service fees, were 51% of budget. Expenditures totaled 39% of appropriations. Sewer Operations revenues, including service fees, were 34% of budget. Expenditures for sewer operations were 43% of budget. The amount spent to date for sewer operations is high because it included a scheduled \$1.4 million August debt service payment on outstanding sewer bonds.
- * Investments maturing/called/sold during this period. During the month of October, \$2 million in federal agency investments was called, due to declining interest rates, and \$8,960,000 was invested in new federal agency investments. Further details of all City investments are contained on pages 6-8 of this report.



	REVENU	IES	EXPENS	ES	10/31/2003
		% OF	ACTUAL plus	% OF	UNRESTRICTED
FUND NAME	ACTUAL	BUDGET	ENCUMBRANCES	BUDGET	FUND BALANCE
General Fund	\$4,177,680	26%	\$5,422,097	33%	\$9,892,088
Community Development	1,079,077	47%	1,383,125	43%	1,247,682
RDA	196,053	1%	24,367,824	61%	(5,582,908)
Housing/CDBG	85,949	2%	3,599,672	73%	2,899,621
Sewer Operations	1,873,240	34%	3,206,467	43%	3,475,820
Sewer Other	1,208,159	97%	739,714	14%	11,816,880
Water Operations	3,581,968	51%	3,027,124	39%	3,133,420
Water Other	1,220,040	112%	2,174,813	43%	3,655,253
Other Special Revenues 1	150,854	20%	689,908	27%	2,510,376
Capital Projects & Streets Funds	2,223,081	17%	3,183,310	14%	23,848,712
Debt Service Funds	2,011	1%	175,659	74%	334,731
Internal Service	1,228,596	30%	1,567,590	39%	4,252,992
Agency	73,189	3%	2,207,500	85%	3,066,407
TOTAL FOR ALL FUNDS	\$17,099,897	21%	\$51,744,803	40%	\$64,551,074

¹ Includes all Special Revenue Funds except Community Development, CDBG, and Street Funds

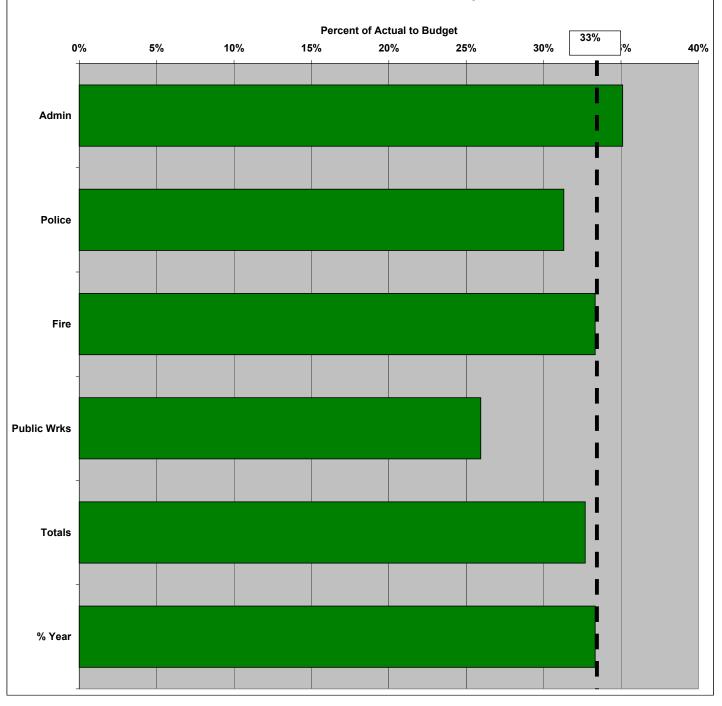


			% OF	PRIOR YEAR	% CHANGE FROM
REVENUE CATEGORY	BUDGET	ACTUAL	BUDGET	TO DATE	PRIOR YEAR
PROPERTY RELATED TAXES	\$2,440,000	\$560,429	23%	\$544,005	3%
SALES TAXES	\$4,923,000	\$1,405,857	29%	\$1,605,293	-12%
FRANCHISE FEE	\$961,180	\$135,208	14%	\$138,069	-2%
HOTEL TAX	\$890,000	\$270,117	30%	\$283,007	-5%
LICENSES/PERMITS	\$202,600	\$152,516	75%	\$154,485	-1%
MOTOR VEHICLE IN LIEU	\$2,080,000	\$315,130	15%	\$709,811	-56%
FUNDING - OTHER GOVERNMENTS	\$271,900	\$887	0%	\$18,493	-95%
CHARGES CURRENT SERVICES	\$2,588,137	\$836,644	32%	\$724,545	15%
INTEREST & OTHER REVENUE	\$893,050	\$244,226	27%	\$146,384	67%
TRANSFERS IN	\$823,986	\$256,666	31%	\$36,666	600%
			•	•	
TOTALS	\$16,073,853	\$4,177,680	26%	\$4,360,758	-4%



Morgan Hill YTD General Fund Expenditures

October 31, 2003 – 33% Year Complete



Expenditure Category	Budget	Actual Plus Encumbrances	% of Budget
ADMINISTRATION	5,205,392	1,827,667	35%
POLICE	6,812,300	2,132,651	31%
FIRE	3,745,220	1,248,326	33%
PUBLIC WORKS	822,840	213,453	26%
TOTALS	\$ 16,585,752	\$ 5,422,097	33%



City of Morgan Hill Fund Activity Summary - Fiscal Year 2003/04 For the Month of October 31, 2003 33% of Year Completed

		Unaudited	Revenues		Expenses		Year to-Date	Ending Fun	d Balance	Cash and In	vestments
Fund		Fund Balance	YTD	% of	YTD	% of	Deficit or				
No.	Fund	06-30-03	Actual	Budget	Actual	Budget	Carryover	Reserved ¹	Unreserved	Unrestricted	Restricted ²
010	GENERAL FUND	\$11,136,505	\$4,177,680	26%	\$5,030,987	30%	(\$853,307)	\$391,110	\$9,892,088	\$10,102,929	\$4,150
TOTAL G	ENERAL FUND	<u>\$11,136,505</u>	\$4,177,680	<u>26%</u>	\$5,030,987	<u>30%</u>	(\$853,307)	<u>\$391,110</u>	\$9,892,088	<u>\$10,102,929</u>	<u>\$4,150</u>
202	STREET MAINTENANCE	\$1,683,131	\$577,416	42%	\$549,284	19%	\$28,132	\$824,736	\$886,527	\$1,518,273	
204/205	PUBLIC SAFETY/SUPPL. LAW	\$485,350	\$1,993	2%	\$91,194	33%	(\$89,201)	, , , , , ,	\$396,149	\$396,149	
206	COMMUNITY DEVELOPMENT	\$1,551,730	\$1,079,077	47%	\$915,816	28%	\$163,261	\$467,309	\$1,247,682	\$1,749,993	
207	GENERAL PLAN UPDATE	\$190,845	\$34,231	45%	\$8,715	4%	\$25,516	\$124,821	\$91,540	\$216,450	
210	COMMUNITY CENTER	\$360,157	\$1,446	23%	\$104,000	33%	(\$102,554)		\$257,603	\$257,603	
215 / 216	CDBG	\$636,136	\$5,583	4%	\$14,213	4%	(\$8,630)	465,091	\$162,415	\$196,522	
220	MUSEUM RENTAL	\$1,274	\$5	12%	\$649	27%	(\$644)		\$630	\$630	
225	ASSET SEIZURE	\$38,096	\$163	28%		n/a	\$163		\$38,259	\$38,259	
226	OES/FEMA										
229	LIGHTING AND LANDSCAPE	\$33,766	\$132	0%	\$50,028	30%	(\$49,896)	\$6,574	(\$22,704)	(\$15,842)	
232	ENVIRONMENT PROGRAMS	\$613,697	\$93,347	24%	\$106,181	21%	(\$12,834)	\$115,394	\$485,469	\$603,398	
234	MOBILE HOME PK RENT STAB.	\$9,808	\$3,217	51%	\$39,547	100%	(\$36,330)	\$22,705	(\$49,227)	(\$26,522)	
235	SENIOR HOUSING	\$255,610	\$1,093	16%			\$1,093		\$256,703	\$256,703	
236	HOUSING IN LIEU	\$1,043,306	\$4,466	16%	-		\$4,466	-	\$1,047,772	\$1,047,772	
240	EMPLOYEE ASSISTANCE	\$8,921	\$10,761	53%	11,500	58%	(\$739)		\$8,182	\$5,573	
TOTAL S	PECIAL REVENUE FUNDS	<u>\$6,911,827</u>	<u>\$1,812,930</u>	<u>40%</u>	<u>\$1,891,127</u>	<u>21%</u>	<u>(\$78,197)</u>	<u>\$2,026,630</u>	<u>\$4,807,000</u>	<u>\$6,244,961</u>	
	,										
301	PARK DEV. IMPACT FUND	\$3,191,630	\$335,498	77%	\$42,393	2%	\$293,105	\$106,108	\$3,378,627		\$3,484,735
302	PARK MAINTENANCE	\$2,909,243	\$54,022	21%	\$50,000	25%	\$4,022		\$2,913,265	\$2,913,265	
303	LOCAL DRAINAGE	\$2,910,954	\$89,753	31%	\$5,889	0%	\$83,864		\$2,994,818		\$2,994,817
304	LOCAL DRAINAGE/NON-AB1600	\$3,276,514	\$60,064	38%	\$10,623	6%	\$49,441		\$3,325,955	\$3,205,956	
305	OFF-STREET PARKING	\$4,020	\$17	18%			\$17	010.000	\$4,037	\$4,038	
306	OPEN SPACE	\$458,488	\$63,726	111%	2010.000	4.407	\$63,726	\$10,000	\$512,214	\$522,214	40.007.000
309	TRAFFIC IMPACT FUND	\$2,826,115	\$794,789	120%	\$240,209	14%	\$554,580	\$338,923	\$3,041,772		\$3,367,038
311	POLICE IMPACT FUND	\$1,183,045	\$35,121	68%	\$12,215	1%	\$22,906	\$10,000	\$1,195,951		\$1,205,951
313	FIRE IMPACT FUND	\$2,603,859	\$101,272	68%	\$1,249	0%	\$100,023	44.050.704	\$2,703,882	67.045.400	\$2,703,882
317	REDEVELOPMENT AGENCY	\$20,860,548	\$196,053	1%	\$11,786,728	29%	(\$11,590,675)	14,852,781	(\$5,582,908)	\$7,015,168	
	HOUSING	\$24,240,428	\$80,366	2%	\$3,479,589	41%	(\$3,399,223)	18,103,999	\$2,737,206	\$2,832,129	
340 342	MORGAN HILL BUS.RANCH I	\$48,290	\$206	18%			\$206 \$232		\$48,496	\$48,497	
342 346	MORGAN HILL BUS.RANCH II PUBLIC FACILITIES NON-AB1600	\$54,233 \$1,332,714	232 \$29,758	n/a 0%	1E 0EE		\$14,503		\$54,465 \$1,347,217	\$54,464 \$1,347,217	
347	PUBLIC FACILITIES IMPACT FUND	\$665,032	\$46,512	99%	15,255 \$110,565	6%	(\$64,053)	\$865,640	(\$264,661)	\$1,347,217	\$564,309
348	LIBRARY IMPACT FUND	\$414,456	\$29,012	94%	\$110,363	33%	\$28,937	\$600,040	\$443,393		\$443,393
350	UNDERGROUNDING	\$1,257,217	5,376	17%	\$146	0%	\$5,230	+	\$1,262,447	\$1,262,447	Ψ443,393
360	COMM/REC CTR IMPACT FUND	Ψ1,231,211	307	17%	ψ1 4 0	0%	\$307		\$1,202,447	\$307	
	APITAL PROJECT FUNDS	\$68,236,786	\$1,922,084	5%	\$15,754,936	23%	(\$13,832,852)	\$34,287,451	\$20,116,483	\$19,205,702	\$14,764,125
TOTAL	AFITAL PROJECT FUNDS	\$00,230,700	φ1,922,064	<u>5%</u>	\$ 15,754,936	<u> 23 / </u>	<u>(\$13,032,032)</u>	<u>434,201,451</u>	φ 20, 1 10,483	<u>\$15,205,702</u>	<u>#14,704,125</u>
527	HIDDEN CREEK			n/a							
533	DUNNE/CONDIT			n/a							
536	ENCINO HILLS	\$68,027	\$290	18%			\$290		\$68,317	\$68,317	
539	MORGAN HILL BUS. PARK	\$11,867	\$50	11%			\$50		\$11,917	\$11,916	
542	SUTTER BUSINESS PARK	\$24,910	\$107	15%			\$107		\$25,017	\$25,017	
545	COCHRANE BUSINESS PARK	\$374,418	\$1,443	1%	\$145,854	74%	(\$144,411)		\$230,007	\$49,058	\$180,950
551	JOLEEN WAY	\$29,157	\$121	0%	\$29,805	74%	(\$29,684)		(\$527)	(\$17,777)	\$17,250
TOTAL D	EBT SERVICE FUNDS	<u>\$508,379</u>	\$2,011	<u>1%</u>	<u>\$175,659</u>	<u>74%</u>	(\$173,648)		<u>\$334,731</u>	<u>\$136,531</u>	<u>\$198,200</u>



City of Morgan Hill Fund Activity Summary - Fiscal Year 2003/04 For the Month of October 31, 2003 33% of Year Completed

820 SPECIAL DEPOSITS 841 M.H. BUS.RANCH A.D. \$1,649,856 \$5,939 1% \$984,744 136% (\$978,805) \$671,051 \$92,724 \$578,325 842 M.H. BUS. RANCH II A.D. \$107,240 \$413 1% \$38,110 98% (\$37,697) \$69,543 \$10,030 \$59,513 843 M.H. BUS. RANCH 1998 \$1,492,569 \$2,667 39% \$582,442 67% (\$579,775) \$912,794 \$27,418 \$885,375 845 MADRONE BP-TAX EXEMPT \$1,312,253 \$2,276 \$506,221 63% (\$503,945) \$808,308 \$9,635 \$798,673 846 MADRONE BP-TAXABLE \$256,944 \$456 3% \$95,983 56% (\$95,527) \$161,416 \$7,215 \$154,203 848 TENNANT AVE.BUS.PK A.D. \$360,919 \$61,343 39% na \$61,343 \$422,262 \$422,265 881 POLICE DONATION TRUST FUND \$20,938 \$95 39% \$95 39% \$95		,	en or mor		00 /0 01 1 00	ir Completed						
No. Fund			L					<u></u>	Ending Fun	d Balance	Cash and Ir	vestments
SEWER OPERATIONS \$16,004,091 \$1,873,240 34% \$3,141,759 42% \$61,286,515) \$11,259,756 \$3,475,820 \$3,140,939 \$1,809,337 641 \$54,004,004 \$1,004,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004,004 \$1,004,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004 \$1,004,004,004 \$1,004,004,004 \$1,004,004,004 \$1,004,004,004 \$1,004,004,004,004 \$1,004,004,004,004,004,004,004,004,004,00	Fund		Fund Balance	YTD	% of	YTD	% of	Deficit or	. 7			
841 SEWER IMPACT FUND 87.772,110 \$1,054,066 168% \$220,151 6% \$15,054 06 188% \$230,151 6% \$15,476 \$250,475 \$15,476 \$331,0704 \$3,319,	No.	Fund	06-30-03	Actual	Budget	Actual	Budget	Carryover	Reserved ¹	Unreserved	Unrestricted	Restricted ²
841 SEWER IMPACT FUND 87.772,110 \$1,061,062 6188% \$220,151 69% \$320,053 3.80,418 \$5,315,747 \$8,361,076 62 SEWER PARTE STABILIZATION 83.304,0228 \$10,266 118% \$790 33% \$15,476 \$3,310,704												
841 SEWER IMPACT FUND 87.772,110 \$1,054,066 168% \$220,151 6% \$15,054 06 188% \$230,151 6% \$15,476 \$250,475 \$15,476 \$331,0704 \$3,319,	640	SEWER OPERATIONS	\$16,004,091	\$1 873 240	34%	\$3 141 755	42%	(\$1 268 515)	\$11 259 756	\$3 475 820	\$3 140 939	\$1 898 337
SEWER RATE STABILIZATION \$3.804.228 \$16.266 \$187.676 \$3.81.9704 \$2.861.229 \$16.266 \$137.687 \$2.861.229 \$16.266 \$3.819.680 \$137.687 \$2.861.229 \$2.861.											ψο, τ το,σσσ	
849 SEWER-CAPITAL PROJECTS \$9,683,5568 \$137,687 \$265, \$326,6043 16% \$157,509 \$155,077 \$2,681,429 \$2,851,248 \$300,007 \$610 WATER IMPACT FUND \$3,271,280 \$735,512 \$111% \$322,289 12% \$412,223 \$1,90,902 \$503,190 \$227,340 \$227,340 \$32						. ,			5,250,115		\$3.819.704	
## WATER IMPACT FUND ## S327,1280 \$33,5512 11116 \$322,289 12% \$41,223 4,190,692 (\$507,190) \$297,340 ## S67,428 \$33,455 17% \$232,289 12% \$41,223 4,190,692 (\$507,190) \$557,365 ## S67,428 \$34,555 17% \$232,517 \$328,3517 \$328,3517 \$35,357,077 \$33,894,880 ## TOTAL ENTERPRISE FUNDS ## S71,971,399 \$7,833,407 \$32,000 \$25,000 \$36,800,825 \$22,01,372 \$37,35,818 \$30,97,609 ## S74,000 DATA PROCESSING \$430,026 \$81,754 33% \$71,374 27% \$10,380 193,345 \$255,061 \$394,345 ## BUILDING MAINTENANCE \$400,151 \$298,466 33% \$119,666 18% \$178,810 \$211,500 \$10,500 \$39,345 \$255,061 \$394,345 ## BUILDING MAINTENANCE \$400,151 \$298,466 33% \$119,666 18% \$178,810 \$211,500 \$10,500 \$30,500 \$						· ·			6,874,771			
WATER RATE STABILIZATION \$867,428 \$3.455 17% \$233.517 33% \$(\$280.062) \$567,366 \$857,366 \$857,366 \$80.921.30 \$441.073 \$120% \$443.673 \$15% \$37.400 \$5.554.653 \$3.575.07 \$3.384.880 \$17.135.818 \$3.027.609 \$1.028.810 \$1.028.8	650	WATER OPERATIONS	\$21,476,576	\$3,581,968	51%	\$2,404,388	5%	\$1,177,580	\$19,520,735	\$3,133,420	\$2,841,665	\$390,907
### WATER -CAPITAL PROJECT \$9,092,130 \$481,073 120% \$443,673 15% \$37,400 \$5,554,453 \$3,575,077 \$3,384,880 **TOTAL ENTERPRISE FUNDS \$71,971,399 \$7,883,407 \$53% \$7,092,606 \$2% \$790,801 \$50,689,825 \$22,081,373 \$17,135,818 \$80,097,609 730 DATA PROCESSING \$436,026 \$881,754 \$33% \$71,374 \$27% \$193,346 \$253,061 \$394,345 740 BUILDING MAINTENANCE \$400,151 \$298,466 33% \$119,656 18% \$178,810 27,191 \$551,770 \$591,083 745 CIPA DMINISTRATION \$59,437 \$430,344 30% \$430,344 28% \$47,730 \$47,730 \$47,730 740 WORKER'S COMP. \$61,447 \$163,570 24% \$256,890 35% \$452 \$47,730 \$47,730 740 WORKER'S COMP. \$61,447 \$163,570 24% \$256,890 35% \$452 \$47,730 \$47,730 740 COURMENT REPLACEMENT \$3,379,971 \$80,066 40% \$39,445 15% \$40,621 \$557,194 \$2,863,398 \$2,865,59 740 GON LIABILITY INS \$386,668 \$128,367 24% \$266,890 \$39,445 15% \$40,621 \$557,194 \$2,863,398 \$2,865,59 750 GEN LIABILITY INS \$856,668 \$128,362 33% \$272,847 73% (\$144,485) \$712,183 \$1,037,999 **TOTAL INTERNAL SERVICE FUNDS \$5,450,529 \$1,228,596 30% \$1,224,396 30% \$4,200 \$4,252,992 \$5,536,564 \$40,000 820 SPECIAL DEPOSITS \$1,49,856 \$5,339 11% \$984,744 136% (\$978,805) \$8071,051 \$92,724 \$878,325 841 M.H. BUS, RANCH AD. \$1,649,856 \$5,339 11% \$3984,744 136% (\$93,807) \$391,794 \$27,741 \$385,379 842 MAJRONE B-TAX EXEMIPT \$1,312,253 \$2,267 33% \$550,221 63% \$650,279 \$391,794 \$27,741 \$385,301 \$365,513 \$391,794 \$27,741 \$385,374 \$365,517 \$391,794 \$27,741 \$385,374 \$385,379 \$391,794 \$27,741 \$385,374 \$385,379 \$391,400 \$391,794 \$27,741 \$385,518 \$390,394 \$	651	WATER IMPACT FUND	\$3,271,280	\$735,512	111%	\$323,289	12%	\$412,223	4,190,692	(\$507,190)		\$297,340
TOTAL ENTERPRISE FUNDS \$71,971,399 \$7,883,407 \$3% \$7,092,606 26% \$79,801 \$50,680,825 \$22,081,373 \$17,135,818 \$3,097,609	652	WATER RATE STABILIZATION	\$867,428	\$3,455	17%	\$283,517	33%	(\$280,062)		\$587,366	\$587,366	
700 DATA PROCESSING \$438,026 \$81,754 \$33% \$71,374 27% \$10,300 \$193,345 \$25,5061 \$3304,345 \$740 BUILDING MAINTENANCE \$400,151 \$298,466 33% \$119,656 18% \$178,810 27,191 \$551,770 \$591,083 \$745 CIP ADMINISTRATION \$594,377 \$430,344 30% \$430,344 28% \$153,061 \$830,624 \$101,080 \$770 WORKERS COMP. \$427,78 \$7,363 25% \$6,911 23% \$452 \$47,730 \$47,730 \$47,730 \$770 WORKERS COMP. \$56,147 \$163,570 24% \$256,890 35% \$893,320 32,849 \$122,863,349 \$2,866,557 \$790 EQUIPMENT REPLACEMENT \$3,379,971 \$80,066 40% \$394,45 15% \$40,621 \$57,194 \$2,863,398 \$2,866,559 \$795 GENL LIABILITY INS. \$466,688 \$128,362 33% \$272,44 \$280,999 16% \$11,742 238,097 \$36,466 \$32,321 \$775 GENL LIABILITY INS. \$456,688 \$128,362 33% \$272,44 \$280,999 \$42,200 \$42,229,99 \$36,466 \$32,321 \$772,183 \$1,037,999 \$770 \$700 LIABILITY INS. \$456,688 \$128,362 33% \$272,44 \$280,999 \$30,496 \$32,321 \$772,183 \$1,037,999 \$770 \$700 LIABILITY INS. \$456,688 \$128,362 33% \$272,44 \$280,999 \$30,496 \$32,321 \$772,183 \$1,037,999 \$770 \$700 LIABILITY INS. \$456,688 \$128,362 33% \$272,44 \$280,999 \$30,496 \$32,321 \$772,183 \$1,037,999 \$770 \$770 \$770 \$770 \$770 \$770 \$770 \$	653	WATER -CAPITAL PROJECT	\$9,092,130	\$481,073	120%	\$443,673	15%	\$37,400	5,554,453	\$3,575,077	\$3,894,880	
BUILDING MAINTENANCE \$400,151 \$208,468 33% \$119,656 18% \$178,810 27,191 \$551,770 \$591,083	TOTAL E	NTERPRISE FUNDS	<u>\$71,971,399</u>	<u>\$7,883,407</u>	<u>53%</u>	<u>\$7,092,606</u>	<u>26%</u>	<u>\$790,801</u>	<u>\$50,680,825</u>	<u>\$22,081,373</u>	<u>\$17,135,818</u>	\$8,097,609
## BUILDING MAINTENANCE ## \$400,151 \$298,468 33% \$119,656 18% \$178,810 27,191 \$551,770 \$591,083 ## CIPADMINISTRATION \$59,437 \$430,344 30% \$430,344 28% \$153,061 \$503,624 \$101,080 ## CIPADMINISTRATION \$47,278 \$7,363 25% \$450,344 28% \$452 \$47,730 \$447,730 ## CIPADMINISTRATION \$47,278 \$7,363 25% \$450,344 28% \$452 \$47,730 \$447,730 ## CIPADMINISTRATION \$47,278 \$7,363 25% \$56,911 23% \$452 \$47,730 \$447,730 ## CIPADMINISTRATION \$61,47 \$163,570 24% \$256,580 35% \$333,20 32,849 \$120,022 \$465,447 \$40,000 ## CIPADMINISTRATION \$2,046,541 \$40,000 \$40,000 \$40,000 \$40,000 ## CIPADMINISTRATION \$2,046,541 \$40,000 \$40,000 \$40,000 \$40,000 ## CIPADMINISTRATION \$2,046,541 \$40,000 \$												
745 CIP ADMINISTRATION			, ,	+ - , -		, ,-		, .,		, ,		
760 UNEMPLOYMENT INS. \$47.278 \$7.363 25% \$6.911 23% \$46.2 \$47.730 \$47.730 \$7.770 WORKER'S COMP \$6.147 \$163.570 24% \$256.809 35% \$80.35% \$80.33% \$80.203 32.405 (\$120.22) \$46.6447 \$40.000 \$7.90 EQUIPMENT REPLACEMENT \$3.379.971 \$80.066 40% \$39.445 15% \$40.021 557,194 \$2.863.380 \$2.866.559 \$7.95 GENT. LIABILITY INS. \$856.668 \$123.827 33% \$272.847 73% \$11.742 236.097 \$30.496 \$32.321 \$7.770			. ,					\$178,810		· /		
770 WORKER'S COMP. 780 EQUIPMENT REPLACEMENT \$3,379,971 \$80,066 40% \$39,445 15% \$40,621 557,194 \$2,863,398 \$2,866,559 \$790 EQUIPMENT REPLACEMENT \$3,379,971 \$80,066 40% \$39,445 15% \$40,621 557,194 \$2,863,398 \$2,866,559 \$795 GEN'L LIABILITY INS. \$856,668 \$128,362 33% \$272,847 73% (\$144,485) \$712,183 \$1,037,999 \$70.00 \$10.00			. ,						153,061	\· , , ,		
COUPMENT REPLACEMENT \$3.379.971 \$80.066 40% \$39.445 15% \$40.621 557,194 \$28.83,398 \$2.886,559 CORPORATION YARD \$26.851 \$38.671 24% \$26.929 16% \$11,742 238.097 \$38.496 \$32.321 795 GEN'L LIABILITY INS. \$856,668 \$128,362 33% \$272,847 73% (\$144.485) \$712,183 \$1,037,999 TOTAL INTERNAL SERVICE FUNDS \$5.450,529 \$1,228.596 30% \$1.224.396 30% \$4.200 \$4.252,992 \$5.536,564 \$40.000 \$4.252,992 \$5.536,564 \$40.000 \$4.252,992 \$5.536,564 \$40.000 \$4.252,992 \$5.536,564 \$40.000 \$4.252,992 \$5.536,564 \$40.000 \$4.252,992 \$5.536,564 \$40.000 \$4.252,992 \$5.536,564 \$40.000 \$4.252,992 \$5.536,564 \$40.000 \$4.252,992 \$5.536,564 \$40.000 \$4.252,992 \$5.536,564 \$40.000 \$4.252,992 \$5.536,564 \$40.0000 \$40.000 \$40.000 \$40.000 \$40.000 \$40.000 \$40.000 \$40.000 \$40.000 \$40.000 \$40.000 \$40.												
CORPORATION YARD S264,851 S38,671 24% S26,929 16% S11,742 S28,097 S38,496 S32,321 TOTAL INTERNAL SERVICE FUNDS S5,450,529 S1,228,596 S128,362 S9P.CIAL DEPOSITS S20 SPECIAL DEPOSITS S21,649,856 S5,450,529 S1,649,856 S5,399 S5,640 S5,64			. ,			,,		· , ,	- ,			\$40,000
TOTAL INTERNAL SERVICE FUNDS \$5,450,529 \$1,228,596 \$0% \$1,224,396 \$0% \$4,200 \$4,200 \$4,252,992 \$5,536,564 \$40,000 \$20 SPECIAL DEPOSITS \$1,649,856 \$5,939 \$1% \$394,744 \$136% \$394,744 \$136% \$397,805) \$671,051 \$92,724 \$578,325 \$42 M.H. BUS, RANCH II A.D. \$107,240 \$413 \$1,492,569 \$2,667 \$39% \$5,867 \$39% \$5,867 \$39% \$5,867 \$5,867 \$5,867 \$5,867 \$5,867 \$5,867 \$6,876 \$7,876 \$7,				* ,		, , .		, -,-				
## TOTAL INTERNAL SERVICE FUNDS									238,097	· · · · · · · · · · · · · · · · · · ·		
820 SPECIAL DEPOSITS 841 M.H. BUS.RANCH A.D. \$1,649,856 \$5,939 1 1% \$984,744 136% (\$978,805) \$671,051 \$92,724 \$578,325 842 M.H. BUS. RANCH II A.D. \$107,240 \$413 1 1% \$38,110 98% (\$37,697) \$69,543 \$10,030 \$59,513 843 M.H. BUS. RANCH 1998 \$1,492,569 \$2,667 39% \$582,442 67% (\$579,775) \$912,794 \$27,418 \$885,375 845 MADRONE BP-TAX EXEMPT \$1,312,253 \$2,276 \$506,221 63% (\$503,945) \$808,308 \$9,635 \$798,673 846 MADRONE BP-TAX EXEMPT \$1,312,253 \$2,276 \$506,221 63% (\$503,945) \$808,308 \$9,635 \$798,673 846 MADRONE BP-TAX EXEMPT \$256,944 \$456 3% \$95,983 56% (\$95,527) \$161,416 \$7,215 \$154,203 848 TENNANT AVE.BUS.PK A.D. \$360,919 \$61,343 39% na \$61,343 \$422,262 \$422,265 881 POLICE DONATION TRUST FUND \$20,938 \$95 39% \$95 \$21,033 \$21,	795	GEN'L LIABILITY INS.	\$856,668	\$128,362	33%	\$272,847	73%	(\$144,485)		\$712,183	\$1,037,999	
841 M.H. BUS. RANCH A.D. \$1,649,856 \$5,939 1 1% \$984,744 136% (\$978,805) \$6671,051 \$92,724 \$578,325 842 M.H. BUS. RANCH II A.D. \$107,240 \$413 1% \$38,110 98% (\$37,697) \$69,543 \$10,030 \$595,513 843 M.H. BUS. RANCH 1998 \$1,492,559 \$2,667 39% \$582,442 67% (\$579,775) \$912,794 \$27,418 \$885,375 845 MADRONE BP-TAX EXEMPT \$1,312,253 \$2,276 \$5506,221 63% (\$503,945) \$808,308 \$9,635 \$798,673 846 MADRONE BP-TAX EXEMPT \$1,312,253 \$2,276 \$5506,221 63% (\$503,945) \$808,308 \$9,635 \$798,673 846 MADRONE BP-TAX ABLE \$256,944 \$456 3% \$95,983 56% (\$95,527) \$161,416 \$7,215 \$154,203 848 TENNANT AVE.BUS.PK A.D. \$360,919 \$61,343 39% na \$61,343 \$422,262 \$422,265 \$422,265 \$20,938 \$95 39% \$95,935 \$55 \$21,033 \$21,033 \$21,033 \$21,033 \$21,033 \$21,033 \$21,033 \$21,033 \$21,033 \$21,033 \$21,034 \$21,03	TOTAL IN	ITERNAL SERVICE FUNDS	<u>\$5,450,529</u>	<u>\$1,228,596</u>	<u>30%</u>	<u>\$1,224,396</u>	<u>30%</u>	<u>\$4,200</u>		\$4,252,992	<u>\$5,536,564</u>	<u>\$40,000</u>
841 M.H. BUS. RANCH A.D. \$1,649,856 \$5,939 1 1% \$984,744 136% (\$978,805) \$6671,051 \$92,724 \$578,325 842 M.H. BUS. RANCH II A.D. \$107,240 \$413 1% \$38,110 98% (\$37,697) \$69,543 \$10,030 \$595,513 843 M.H. BUS. RANCH 1998 \$1,492,559 \$2,667 39% \$582,442 67% (\$579,775) \$912,794 \$27,418 \$885,375 845 MADRONE BP-TAX EXEMPT \$1,312,253 \$2,276 \$5506,221 63% (\$503,945) \$808,308 \$9,635 \$798,673 846 MADRONE BP-TAX EXEMPT \$1,312,253 \$2,276 \$5506,221 63% (\$503,945) \$808,308 \$9,635 \$798,673 846 MADRONE BP-TAX ABLE \$256,944 \$456 3% \$95,983 56% (\$95,527) \$161,416 \$7,215 \$154,203 848 TENNANT AVE.BUS.PK A.D. \$360,919 \$61,343 39% na \$61,343 \$422,262 \$422,265 \$422,265 \$20,938 \$95 39% \$95,935 \$55 \$21,033 \$21,033 \$21,033 \$21,033 \$21,033 \$21,033 \$21,033 \$21,033 \$21,033 \$21,033 \$21,034 \$21,03			T			1			1			
842 M.H. BUS. RANCH II A.D. \$107,240 \$413 1% \$38,110 98% (\$37,697) \$69,543 \$10,030 \$59,513 843 M.H. BUS. RANCH 1998 \$1,492,569 \$2,667 39% \$562,442 67% (\$579,775) \$912,794 \$27,418 \$885,375 845 MADRONE BP-TAX EXEMPT \$1,312,253 \$2,276 \$506,221 63% (\$503,945) \$808,308 \$9,635 \$798,673 846 MADRONE BP-TAXABLE \$256,944 \$456 3% \$95,983 56% (\$95,527) \$161,416 \$7,215 \$154,203 848 TENNANT AVE.BUS.PK A.D. \$360,919 \$61,343 39% na \$61,343 \$422,262 \$422,265 841 POLICE DONATION TRUST FUND \$20,938 \$95 399 \$95 \$21,033 \$21,033 \$21,033 \$21,033 \$21,033 \$21,033 \$21,033 \$21,033 \$21,033 \$21,033 \$21,033 \$300 \$300,019 \$41,136,505 \$4,177,680 26% \$5,030,987 30% (\$853,307) \$391,110 \$9,892,088 \$10,102,929 \$4,150 \$95 \$100,000 \$4,200,000 \$6,244,961 \$95,000 \$4,807,000 \$6,244,961 \$95,000 \$1,131,000 \$10,000 \$1,131,000 \$10,000 \$1,131,000 \$												
843 M.H. BUS. RANCH 1998 \$1,492,569 \$2,667 39% \$582,442 67% \$(\$579,775) \$912,794 \$27,418 \$885,375 845 MADRONE BP-TAX EXEMPT \$1,312,253 \$2,276 \$506,221 63% \$(\$503,945) \$808,308 \$9,635 \$798,673 846 MADRONE BP-TAX EXEMPT \$1,312,253 \$2,276 \$506,221 63% \$(\$503,945) \$808,308 \$9,635 \$798,673 848 TENNANT AVE.BUS.PK A.D. \$360,919 \$61,343 39% \$95,983 56% \$95,983 56% \$161,416 \$7,215 \$154,203 848 POLICE DONATION TRUST FUND \$20,938 \$95 39% \$95 98 \$95 \$95 \$21,033 \$22,034 \$22,034												
845 MADRONE BP-TAX EXEMPT 846 MADRONE BP-TAXABLE 8266,944 \$456 3% \$95,983 56% \$95,527) \$161,416 \$7,215 \$154,203 848 TENNANT AVE.BUS.PK A.D. 848 POLICE DONATION TRUST FUND \$20,938 \$95 39% \$95 \$95 \$21,033 **TOTAL AGENCY FUNDS **SUMMARY BY FUND TYPE **GENERAL FUND GROUP Septial Revenue Group Debt Service Group CAPITAL PROJECTS GROUP ENTERPRISE GROUP ENTERPRISE GROUP ENTERPRISE GROUP ENTERPRISE GROUP ENTERPRISE GROUP Septial Se			. ,					· , ,		· ,		
846 MADRONE BP-TAXABLE \$256,944 \$456 3% \$95,983 56% (\$95,527) \$161,416 \$7,215 \$154,203 848 TENNANT AVE.BUS.PK A.D. \$360,919 \$61,343 39% na \$61,343 \$422,262 \$422,265 881 POLICE DONATION TRUST FUND \$20,938 \$95 39% \$95 \$21,033 \$21,033 \$21,033 \$70TAL AGENCY FUNDS \$5,200,719 \$73,189 3% \$2,207,500 85% (\$2,134,311) \$3,066,407 \$1,337,193 \$2,497,122 \$					39%	. ,		(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,				
848 TENNANT AVE.BUS.PK A.D. \$360,919 \$61,343 39% na \$61,343 \$422,262 \$422,265 \$21,033 \$21,033 \$21,033 \$300 \$390 \$390 \$390 \$390 \$390 \$390 \$					00/					. ,		
### POLICE DONATION TRUST FUND \$20,938 \$95 39% \$95 \$21,033 \$21		-	. ,			\$95,983		· , ,				\$154,203
TOTAL AGENCY FUNDS \$5,200,719 \$73,189 \$3% \$2,207,500 \$85% \$2,134,311) \$3,066,407 \$1,337,193 \$2,497,122 SUMMARY BY FUND TYPE GENERAL FUND GROUP SPECIAL REVENUE GROUP DEBT SERVICE GROUP CAPITAL PROJECTS GROUP ENTERPRISE GROUP S68,236,786 \$1,922,084 \$1,922,084 \$5% \$1,922,084 \$1,812,930 \$1,922,084 \$1,922,084 \$1,922,084 \$1,922,084 \$1,922,084 \$1,922,084 \$1,922,084 \$1,922,084 \$1,812,930 \$1,922,084 \$1,812,930 \$1,922,084 \$1,812,930 \$1,922,084 \$1,812,930 \$1,920,630 \$1,922,088 \$1,920,630 \$1,922,06,630 \$1,922,06,630 \$2,026,630 \$3,4807,000 \$4,807,000 \$4,807,000 \$1,923,006 \$1,922,0116,483 \$1,920,5702 \$14,764,126 \$1,922,084 \$1,922,084 \$1,922,084 \$1,922,088 \$1,922,088 \$1,922,06,630 \$1,922,06,630 \$1,922,06,630 \$2,026,630 \$3,4807,000 \$3,4807,000 \$3,4807,000 \$4,200,116,483 \$19,205,702 \$14,764,126 \$1,922,084 \$1,922,084 \$1,922,084 \$1,922,088 \$1,922,088 \$1,922,088 \$1,922,06,630 \$1,922,06,630 \$2,4807,000 \$1,923,066 \$2,923,133,832,852 \$2,931,373 \$1,136,531 \$1,920,702 \$14,764,126 \$1,922,084 \$1,922,084 \$1,922,084 \$1,102,929 \$1,922,084 \$1,922,084 \$1,922,084 \$1,922,084 \$1,829,107 \$1,922,084 \$1,922,084 \$1,922,084 \$1,922,084 \$1,922,084 \$1,922,084 \$1,922,084 \$1,922,084 \$1,922,084 \$1,922,084 \$1,922,084 \$1,922,084 \$1,922,084 \$1,922,084 \$1,922,084 \$1,922,0							na				\$422,265	604 000
SUMMARY BY FUND TYPE GENERAL FUND GROUP \$11,136,505 \$4,177,680 26% \$5,030,987 30% (\$853,307) \$391,110 \$9,892,088 \$10,102,929 \$4,150 SPECIAL REVENUE GROUP \$6,911,827 \$1,812,930 40% \$1,891,127 21% (\$78,197) \$2,026,630 \$4,807,000 \$6,244,961 DEBT SERVICE GROUP \$508,379 \$2,011 1% \$175,659 74% (\$173,648) \$334,731 \$136,531 \$198,200 CAPITAL PROJECTS GROUP \$68,236,786 \$1,922,084 5% \$15,754,936 23% (\$13,832,852) \$34,287,451 \$20,116,483 \$19,205,702 \$14,764,126 ENTERPRISE GROUP \$71,971,399 \$7,883,407 53% \$7,092,606 26% \$790,801 \$50,680,825 \$22,081,373 \$17,135,818 \$8,097,609 INTERNAL SERVICE GROUP \$5,450,529 \$1,228,596 30% \$1,224,396 30% \$4,200 \$4,252,992 \$5,536,564 \$40,000 AGENCY GROUP \$5,200,719 \$73,189 3% \$2,207,500 85% (\$2,134,311) \$3,066,407 \$1,337,193 \$2,497,122 TOTAL ALL GROUPS \$169,416,144 \$17,099,897 21% \$33,377,211 26% (\$16,277,314) \$87,386,016 \$64,551,074 \$59,699,698 \$25,601,207	881	POLICE DONATION TRUST FUND	\$20,938	\$95	•			\$95		\$21,033		\$21,033
GENERAL FUND GROUP \$11,136,505 \$4,177,680 26% \$5,030,987 30% (\$853,307) \$391,110 \$9,892,088 \$10,102,929 \$4,150 \$9,6214,861 \$1,827 \$1,812,930 40% \$1,891,127 21% (\$78,197) \$2,026,630 \$4,807,000 \$6,244,961 \$1,827 \$1,812,930 40% \$1,891,127 21% (\$78,197) \$2,026,630 \$4,807,000 \$6,244,961 \$1,827 \$1,812,930 \$1,812,930 \$1,812,930 \$1,812,930 \$1,812,930 \$1,812,930 \$1,812,930 \$1,812,930 \$1,812,930 \$1,812,930 \$1,812,930 \$1,812,930 \$1,922,084 \$1,922,	TOTAL A	GENCY FUNDS	<u>\$5,200,719</u>	<u>\$73,189</u>	<u>3%</u>	<u>\$2,207,500</u>	<u>85%</u>	<u>(\$2,134,311)</u>		<u>\$3,066,407</u>	<u>\$1,337,193</u>	<u>\$2,497,122</u>
SPECIAL REVENUE GROUP \$6,911,827 \$1,812,930 40% \$1,891,127 21% (\$78,197) \$2,026,630 \$4,807,000 \$6,244,961 DEBT SERVICE GROUP \$508,379 \$2,011 1% \$175,659 74% (\$173,648) \$334,731 \$136,531 \$198,200 CAPITAL PROJECTS GROUP \$68,236,786 \$1,922,084 5% \$15,754,936 23% (\$13,832,852) \$34,287,451 \$20,116,483 \$19,205,702 \$14,764,126 ENTERPRISE GROUP \$71,971,399 \$7,883,407 53% \$7,092,606 26% \$790,801 \$50,680,825 \$22,081,373 \$17,135,818 \$8,097,609 INTERNAL SERVICE GROUP \$5,450,529 \$1,228,596 30% \$1,224,396 30% \$4,200 \$4,252,992 \$5,536,564 \$40,000 AGENCY GROUP \$5,200,719 \$73,189 3% \$2,207,500 85% (\$2,134,311) \$3,066,407 \$1,337,193 \$2,497,122 TOTAL ALL GROUPS \$169,416,144 \$17,099,897 21% \$33,377,211 26% (\$16,277,314) \$87,386,016 <	SUMMAR	RY BY FUND TYPE										
SPECIAL REVENUE GROUP \$6,911,827 \$1,812,930 40% \$1,891,127 21% (\$78,197) \$2,026,630 \$4,807,000 \$6,244,961 DEBT SERVICE GROUP \$508,379 \$2,011 1% \$175,659 74% (\$173,648) \$334,731 \$136,531 \$198,200 CAPITAL PROJECTS GROUP \$68,236,786 \$1,922,084 5% \$15,754,936 23% (\$13,832,852) \$34,287,451 \$20,116,483 \$19,205,702 \$14,764,126 ENTERPRISE GROUP \$71,971,399 \$7,883,407 53% \$7,092,606 26% \$790,801 \$50,680,825 \$22,081,373 \$17,135,818 \$8,097,609 INTERNAL SERVICE GROUP \$5,450,529 \$1,228,596 30% \$1,224,396 30% \$4,200 \$4,252,992 \$5,536,564 \$40,000 AGENCY GROUP \$5,200,719 \$73,189 3% \$2,207,500 85% (\$2,134,311) \$3,066,407 \$1,337,193 \$2,497,122 TOTAL ALL GROUPS \$169,416,144 \$17,099,897 21% \$33,377,211 26% (\$16,277,314) \$87,386,016 <td></td> <td>GENERAL FUND GROUP</td> <td>\$11.136.505</td> <td>\$4,177,680</td> <td>26%</td> <td>\$5.030.987</td> <td>30%</td> <td>(\$853.307)</td> <td>\$391,110</td> <td>\$9.892.088</td> <td>\$10.102.929</td> <td>\$4.150</td>		GENERAL FUND GROUP	\$11.136.505	\$4,177,680	26%	\$5.030.987	30%	(\$853.307)	\$391,110	\$9.892.088	\$10.102.929	\$4.150
DEBT SERVICE GROUP \$508,379 \$2,011 1% \$175,659 74% (\$173,648) \$334,731 \$136,531 \$198,200 \$1,0			. , ,			. , , ,		<u>, , , , , , , , , , , , , , , , , , , </u>			. , ,	\$.,100
CAPITAL PROJECTS GROUP \$68,236,786 \$1,922,084 5% \$15,754,936 23% (\$13,832,852) \$34,287,451 \$20,116,483 \$19,205,702 \$14,764,126 ENTERPRISE GROUP \$71,971,399 \$7,883,407 53% \$7,092,606 26% \$790,801 \$50,680,825 \$22,081,373 \$17,135,818 \$8,097,609 INTERNAL SERVICE GROUP \$5,450,529 \$1,228,596 30% \$1,224,396 30% \$4,200 \$4,252,992 \$5,536,564 \$40,000 AGENCY GROUP \$5,200,719 \$73,189 3% \$2,207,500 85% (\$2,134,311) \$3,066,407 \$1,337,193 \$2,497,122 TOTAL ALL GROUPS \$169,416,144 \$17,099,897 21% \$33,377,211 26% (\$16,277,314) \$87,386,016 \$64,551,074 \$59,699,698 \$25,601,207			1 - 1 - 1 -			, , ,		(, -, - /	+-,,	, , ,	* - , ,	\$198.200
ENTERPRISE GROUP \$71,971,399 \$7,883,407 53% \$7,092,606 26% \$790,801 \$50,680,825 \$22,081,373 \$17,135,818 \$8,097,609 INTERNAL SERVICE GROUP \$5,450,529 \$1,228,596 30% \$1,224,396 30% \$4,200 \$4,252,992 \$5,536,564 \$40,000 AGENCY GROUP \$5,200,719 \$73,189 3% \$2,207,500 85% (\$2,134,311) \$3,066,407 \$1,337,193 \$2,497,122 TOTAL ALL GROUPS \$169,416,144 \$17,099,897 21% \$33,377,211 26% (\$16,277,314) \$87,386,016 \$64,551,074 \$59,699,698 \$25,601,207						. ,			\$34,287,451			
INTERNAL SERVICE GROUP \$5,450,529 \$1,228,596 30% \$1,224,396 30% \$4,200 \$4,252,992 \$5,536,564 \$40,000 AGENCY GROUP \$5,200,719 \$73,189 3% \$2,207,500 85% (\$2,134,311) \$3,066,407 \$1,337,193 \$2,497,122 TOTAL ALL GROUPS \$169,416,144 \$17,099,897 21% \$33,377,211 26% (\$16,277,314) \$87,386,016 \$64,551,074 \$59,699,698 \$25,601,207			. , ,					1: / /			. , ,	
AGENCY GROUP \$5,200,719 \$73,189 3% \$2,207,500 85% (\$2,134,311) \$3,066,407 \$1,337,193 \$2,497,122 TOTAL ALL GROUPS \$169,416,144 \$17,099,897 21% \$33,377,211 26% (\$16,277,314) \$87,386,016 \$64,551,074 \$59,699,698 \$25,601,207									, ,			
TOTAL ALL GROUPS \$169,416,144 \$17,099,897 21% \$33,377,211 26% (\$16,277,314) \$87,386,016 \$64,551,074 \$59,699,698 \$25,601,207			. , ,			. , , ,				. , ,		
		TOTAL ALL GROUPS	\$169,416,144	\$17,099,897	21%	\$33,377,211	26%	(\$16,277,314)	\$87,386,016	\$64,551,074	\$59,699,698	\$25,601,207
		TOTAL CASH AND INVESTMENTS									\$85 300 DOE	

For Enterprise Funds - Unrestricted fund balance = Fund balance net of fixed assets and long-term liabilities.

¹ Amount restricted for encumbrances, fixed asset replacement, long-term receivables, and bond reserves.

² Amount restricted for debt service payments and AB1600 capital expansion projects as detailed in the City's five year CIP Plan and bond agreements.



CITY OF MORGAN HILL CASH AND INVESTMENT REPORT FOR THE MONTH OF OCTOBER 2003 FOR THE FISCAL YEAR OF 2003-04

	Invested		Book Value	Investment Category	% of	Market
	in Fund	Yield	End of Month	Subtotal at Cost	Total	Value
<u>Investments</u>						
State Treasurer LAIF - City	All Funds Pooled	1.64%	\$32,467,805		38.05%	\$32,521,515
- RDA	RDA	1.64%	\$7,157,273		8.39%	\$7,169,113
- Corp Yard	Corp Yard	1.64%	\$51,809		0.06%	\$51,895
Federal Issues	All Funds Pooled	3.55%	\$38,204,650		44.79%	\$38,120,365
SVNB CD	All Funds Pooled	1.70%	\$2,008,582		2.35%	\$2,008,582
Money Market	All Funds Pooled	0.85%	\$89,755	\$79,979,875	0.11%	\$89,755
Bond Reserve Accounts - held by trustees						
BNY - 2002 SCRWA Bonds						
MBIA Repurchase & Custody Agmt	Sewer	4.78%	\$1,849,400			
Blackrock Provident Temp Fund		0.75%	\$48,938		2.23%	\$1,898,338
US Bank - 1999 Water C.O.P.						
First American Treasury Obligation	Water	0.71%	\$390,907		0.46%	\$390,907
US Bank - MH Ranch 98	MH Ranch					
First American Treasury Obligation	Agency Fund	0.71%	\$885,375		1.04%	\$885,375
US Bank - Madrone Bus Park Tax Exempt	Madrone Bus Park					
First American Treasury Obligation	Agency Fund	0.71%	\$798,673		0.94%	\$798,673
US Bank - Madrone Bus Park Taxable	Madrone Bus Park					
First American Treasury Obligation	Agency Fund	0.71%	\$154,202	\$4,127,495	0.18%	\$154,202
Checking Accounts						
General Checking	All Funds		\$1,149,385		1.35%	\$1,149,385
Dreyfuss Treas Cash Management Account	All Funds				0.00%	\$0
Athens Administators Workers' Comp	Workers' Comp		\$40,000		0.05%	\$40,000
Petty Cash & Emergency Cash	Various Funds	-	\$4,150	\$1,193,535	0.00%	\$4,150
Total Cash and Investments			\$85,300,904	\$85,300,904	<u>100.00%</u>	\$85,282,255

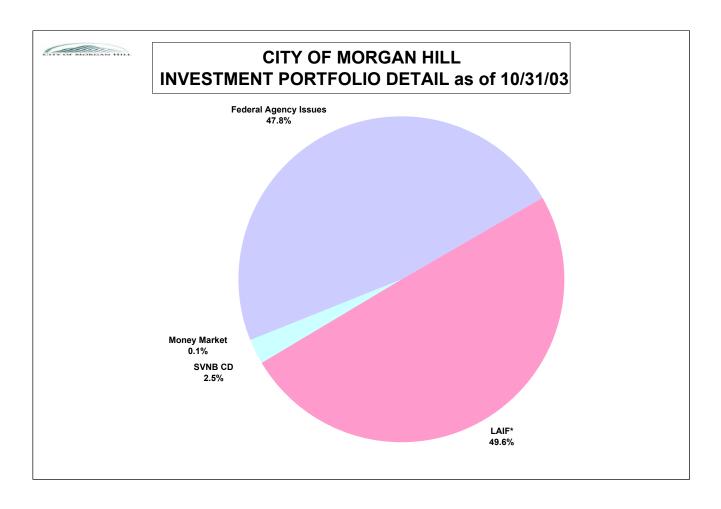
CASH ACTIVITY S	SUMMARY
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		F1 03/04			
Fund Type	7/1/2003 Balance	Change in Cash Balance	10/31/03 Balance	Restricted	Unrestricted
General Fund	\$11,198,677	(\$1,091,598)	\$10,107,079	\$4,150	\$10,102,929
Community Development	\$1,598,168	\$151,825	\$1,749,993	\$0	\$1,749,993
RDA (except Housing)	\$18,789,948	(\$11,774,780)	\$7,015,168	\$0	\$7,015,168
Housing / CDBG	\$6,264,517	(\$3,235,866)	\$3,028,651	\$0	\$3,028,651
Water - Operations	\$2,197,360	\$1,035,212	\$3,232,572	\$390,907	\$2,841,665
Water Other	\$4,882,333	(\$102,747)	\$4,779,586	\$297,340	\$4,482,246
Sewer - Operations	\$6,399,908	(\$1,360,632)	\$5,039,276	\$1,898,337	\$3,140,939
Sewer Other	\$11,899,860	\$282,133	\$12,181,993	\$5,511,025	\$6,670,968
Other Special Revenue	\$3,011,901	(\$231,728)	\$2,780,173	\$0	\$2,780,173
Streets and Capital Projects (except RDA)	\$24,402,072	\$1,238,732	\$25,640,804	\$14,764,126	\$10,876,678
Assessment Districts	\$504,821	(\$170,090)	\$334,731	\$198,200	\$136,531
Internal Service	\$5,993,387	(\$416,823)	\$5,576,564	\$40,000	\$5,536,564
Agency Funds	\$5,943,872	(\$2,109,557)	\$3,834,315	\$2,497,122	\$1,337,193
Total	<u>\$103,086,824</u>	(\$17,785,920)	\$85,300,905	\$25,601,207	\$59,699,698

Note: See Investment Porfolio Detail for maturities of "Investments." Market values are obtained from the City's investment brokers' monthly reports. *Market Value as of 09/30/03

I certify the information on the investment reports on pages 6-8 has been reconciled to the general ledger and bank statements and that there are sufficient funds to meet the expenditure requirements of the City for the next six months. The portfolio is in compliance with the City of Morgan Hill investment policy and all State laws and regulations.

Prepared by:		Approved by:		
	Lourdes Reroma Accountant I		Jack Dilles Director of Finance	
Verified by:				
	Tina Reza Assistant Director of Finance		Mike Roorda City Treasurer	



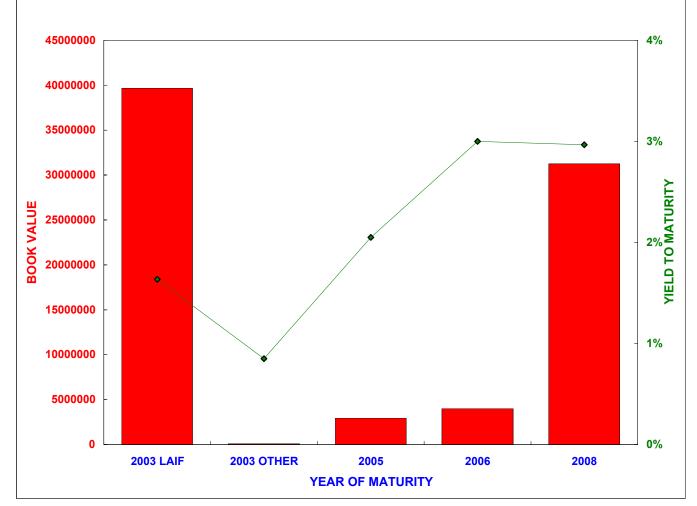
Investment Type	Purchase Date	Book Value	% of Portfolio	Market Value	Stated Rate	Interest Earned	Next Call Date	Date of Maturity	Years to Maturity
LAIF*		\$39,676,887	49.61%	\$39,742,523	1.635%	\$268,773			0.003
SVNB CD	07/07/03	\$2,008,582	2.51%	\$2,008,582	1.700%	\$11,050		07/07/05	1.682
Federal Agency Issues									
Fed Home Loan Bank	10/28/03	\$2,960,000	3.70%	\$2,960,000	2.050%	\$658	11/28/03	10/28/05	1.992
Fed Home Loan Bank	10/28/03	\$4,000,000	5.00%	\$4,000,000	3.000%	\$1.311	11/26/03	10/26/06	2.986
Fed Home Loan Bank	02/04/03	\$2,000,000	2.50%	\$2,006,880	3.900%	\$26.190	anvtime	02/04/08	4.263
Fed Home Loan Bank	03/11/03	\$2,000,000	2.50%	\$1,999,380	3.500%	\$23.503	03/11/04	03/11/08	4.362
Fed Home Loan Mgt Corp	03/12/03	\$2,000,000	2.50%	\$2,017,860	3.500%	\$23,501	03/12/04	03/12/08	4.364
Fed Home Loan Bank	03/26/03	\$2,000,000	2.50%	\$1,991,880	3.375%	\$22,634	03/26/04	03/26/08	4.403
Fed Home Loan Mgt Corp	04/08/03	\$2,000,000	2.50%	\$2,023,760	3.700%	\$24,869	04/08/04	04/08/08	4.438
Fed Home Loan Mgt Corp	04/16/03	\$2,000,000	2.50%	\$2,021,680	3.600%	\$24,197	04/16/04	04/16/08	4.460
Fed Home Loan Mgt Corp	04/17/03	\$1,994,650	2.49%	\$2,002,180	3.625%	\$25,212	04/17/04	04/17/08	4.463
Fed Farm Credit Bank	05/14/03	\$2,000,000	2.50%	\$2,001,260	3.650%	\$24,399	anytime	05/14/08	4.537
Fed Farm Credit Bank	06/03/03	\$2,000,000	2.50%	\$1,975,000	3.210%	\$21,575	12/03/03	06/03/08	4.592
Fed Farm Credit Bank	06/12/03	\$2,000,000	2.50%	\$1,952,500	2.950%	\$19.828	12/12/03	06/12/08	4.616
Fed Home Loan Bank	07/30/03	\$2,000,000	2.50%	\$1,953,760	3.000%	\$15.326	01/30/04	07/30/08	4.748
Fed Home Loan Bank	07/30/03	\$2,000,000	2.50%	\$1,971,880	3.243%	\$16,705	01/30/04	07/30/08	4.748
Fed Home Loan Bank	07/30/03	\$2,000,000	2.50%	\$1,981,880	3.400%	\$17,370	01/30/04	07/30/08	4.748
Fed Home Loan Bank	08/04/03	\$2,000,000	2.50%	\$1,995,620	3.650%	\$17,655	02/04/04	08/04/08	4.762
Fed Home Loan Bank	08/14/03	\$1,250,000	1.56%	\$1,249,225	3.690%	\$9.902	11/14/03	08/14/08	4.789
Fed Home Loan Bank	10/15/03	\$2,000,000	2.50%	\$2,015,620	4.000%	\$1.858	10/15/04	10/15/08	4.959
Redeemed FY 03/04		, , , , , , , , , ,		, , , , , , ,		\$41,384			
Sub Total/Average		\$38,204,650	47.77%	\$38,120,365	3.545%	\$358,077			4.208
Money Market		\$89,755	0.11%	\$89,755	0.850%	\$6,139			0.003
TOTAL/AVERAGE		\$79,979,875	100.00%	\$79,961,225	2.253%	\$644,039			2.055

^{*}Per State Treasurer Report dated 09/30/2003, LAIF had invested approximately 17% of its balance in Treasury Bills and Notes, 13% in CDs, 23% in Commercial Paper and Corporate Bonds, 0% in Banker's Acceptances and 47% in others.



CITY OF MORGAN HILL

INVESTMENT MATURITIES AS OF OCTOBER 31, 2003



YEAR OF	BOOK	MARKET	AVERAGE	% OF
MATURITY	VALUE	VALUE	RATE	TOTAL
2003 LAIF	\$39,676,887	\$39,742,523	1.635%	50.88%
2003 OTHER	\$89,755	\$89,755	0.850%	0.12%
2005	\$2,960,000	\$2,960,000	2.050%	3.80%
2006	\$4,000,000	\$4,000,000	3.000%	5.13%
2008	\$31,253,233	\$31,153,327	2.966%	40.08%
TOTAL	\$77,979,876	\$77,945,605	2.253%	100.00%



SOURCE BUDGET BUDGET ACTUAL OF BUDGET YTD OF BUT	FUND	ADORTED	AMENDED	CURRENT	0/	DDIOD	INCR (DECR)	0/
Property Taxes - Secured/Unsecured/Prio 1,972,200 1,972,200 413,114 21% 451,821 (38,707) -9%	REVENUE SOURCE	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	% OF BUDGET	PRIOR YTD	FROM PRIOR YTD	% OF BUDGE
Property Taxes - Secured/Unsecured/Prio 1,972,200 1,972,200 413,114 21% 451,821 (38,707) -99 Supplemental R0I 200,000 200,000 22,939 11% 19,786 3,153 168 Sales Tax 4,650,000 4,650,000 1,338,394 29% 1,531,447 (193,053) -13 Fublic Safety Sales Tax 270,000 273,000 67,463 25% 73,846 (6,383) -13 71 71 71 71 73 73,846 (6,383) -13 71 71 71 73 73 73 73	010 GENERAL FUND							
Property Taxes - Secured/Unsecured/Prio 1,972,200 1,972,200 413,114 21% 451,821 (38,707) -99 Supplemental R0I 200,000 200,000 22,939 11% 19,786 3,153 168 Sales Tax 4,650,000 4,650,000 1,338,394 29% 1,531,447 (193,053) -13 Fublic Safety Sales Tax 270,000 273,000 67,463 25% 73,846 (6,383) -13 71 71 71 71 73 73,846 (6,383) -13 71 71 71 73 73 73 73	TAYES							
Supplemental Roll 200,000 200,000 22,939 11% 19,786 3,153 185 318 385 3818 78		1 972 200	1 972 200	413 114	21%	451 821	(38 707)	-9%
Sales Tax			, ,			,	, ,	16%
Public Safety Sales Tax	·	,						
Transient Occupancy Taxes 890,000 890,000 270,117 30% 283,007 (12,890) -59 Franchise (Refuse, Cable, PG&E) 961,180 961,180 91,180 135,208 14% 138,069 (2,861) -29 Froperty Transfer Tax 267,800 227,800 124,376 46% 72,398 51,975 72 TOTAL TAXES 9,214,180 9,214,180 2,371,611 26% 2,570,374 (198,763) 49							,	
Franchise (Refuse, Cable, PG&E) 961,180 961,180 135,208 14% 138,069 (2,861) -29 Property Transfer Tax 267,800 267,800 124,376 46% 72,338 51,978 729 TOTAL TAKES 9,214,180 9,214,180 2,371,611 26% 2,570,374 (198,763) 49 LICENSES/PERMITS 20,400 154,500 135,492 88% 138,360 (2,868) -29 LICENSES/PERMITS 48,100 48,100 17,024 35% 16,125 899 6% TOTAL LICENSES/PERMITS 202,600 202,600 152,516 75% 154,465 (1,969) -19 TINES AND PENALTIES 77,300 77,300 8,335 11% 14,302 (5,967) -42 LICENSES AND PENALTIES 2,600 2,600 -1	•		,					
Property Transfer Tax 267.800 267.800 124.376 46% 72.388 51.978 729 TOTAL TAXES 9,214,180 9,214,180 2,371,611 26% 2,570,374 (198,763) 89 TOTAL TAXES 9,214,180 9,214,180 2,371,611 26% 2,570,374 (198,763) 89 EUGENSE/PERMITS 8 154,500 154,500 135,492 88% 138,360 (2,868) -29 Other Permits 48,100 48,100 17.024 35% 16,125 899 6% TOTAL LICENSES/PERMITS 202,600 202,600 152,516 75% 154,485 (1,969) -19 Parking Enforcement 13,400 13,400 4,861 36% 2,197 2,664 121 City Code Enforcement 77,300 77,300 8,335 11% 14,302 (5,967) -425 Business Lax late fee/other fines 2,660 2,660 -1 1/2 1,315 (1,315) (1,315) TOTAL FINES AND PENALTIES 93,300 93,300 13,196 14% 17,814 (4,618) -265 OTHER AGENCIES 2,381,900 2,080,000 315,130 15% 709,811 (394,681) -565 OTHER AGENCIES 2,381,900 2,381,900 316,017 13% 728,304 (412,287) -577 CHARGES CURRENT SERVICES 74,700 9,915 40% 9,998 (83) -19 Business License Application Review 20,900 20,900 10,295 49% 8,473 1,822 228 Recreation Classes 338,784 338,784 63,122 19% 29,528 33,594 144 Cherrical Review 20,907,978 669,326 33% 679,01 26,085 459 OTHER Charges Current Services 195,775 195,775 83,986 43% 57,901 26,085 459 OTHER Charges Current Services 24,200 24,200 10,177 42% (15,909) 26,086 164 OTHER REVENUE 799,750 779,550 231,030 25% 25,000 25,000 10,260 809 TRANSFERS IN 24,200 24,200 24,200 10,177 42% (15,909) 26,086 164 OTHAL TRANSFERS IN 233,986 33,986 3,986							, ,	
Comment Comm							• • • •	72%
Business License 154,500 154,500 135,492 88% 138,360 (2,868) -29	·							
Cither Permits 48,100	LICENSES/PERMITS							
Prince P	Business License	154,500	154,500	135,492	88%	138,360	(2,868)	-2%
Parking Enforcement	Other Permits	48,100	48,100	17,024	<u>35%</u>	16,125	899	<u>6%</u>
Parking Enforcement	TOTAL LICENSES/PERMITS	202,600	202,600	152,516		154,485	(1,969)	
City Code Enforcement 77,300 77,300 8,335 11% 14,302 (5,967) 42° Business tax late fee/other fines 2,600 2,600 - n/a 1,315 (1,315) 100 TOTAL FINES AND PENALTIES 93,300 93,300 13,196 14% 17,814 (4,618) -26° DTHER AGENCIES Motor Vehicle in-Lieu 2,080,000 2,080,000 315,130 15% 709,811 (394,681) -56° Other Revenue - Other Agencies 271,900 271,900 887 0% 18,493 (17,606) -95° OTHAL OTHER AGENCIES False Alarm Charge 24,700 24,700 9,915 40% 9,998 (83) -19° Business License Application Review 20,900 20,900 10,295 49% 8,473 1,822 22° Recreation Classes 338,784 338,784 63,122 19% 29,528 33,594 114 General Administration Overhead 2,007,978 2,007,978 69,326 33% 618,645 50,681 8% Other Charges Current Services 195.775 195.775 83,986 43% 57,901 26,085 45° OTHAL CURRENT SERVICES 2,588,137 2,588,137 836,644 32% 724,545 112,099 15° OTHER REVENUE 10s of money/property 775,550 775,550 220,853 28% 144,479 76,374 53° OTHER REVENUE 799,750 799,750 231,030 29% 128,570 102,460 80° OTHER REVENUE 799,750 799,750 231,030 29% 128,570 102,460 80° OTHER REVENUE 793,500 17,500 5,833 33% 5,833 - n/a 200,000 10,000 33% 5,833 - n	FINES AND PENALTIES							
Business tax late fee/other fines 2,600 2,600 - n/a 1,315 (1,315) -100	Parking Enforcement	13,400	13,400	4,861	36%	2,197	2,664	121%
Note		77,300	77,300	8,335	11%	14,302	(5,967)	-42%
Motor Vehicle in-Lieu 2,080,000 2,080,000 315,130 15% 709,811 (394,681) 566 Other Revenue - Other Agencies 271,900 271,900 887 0% 18,493 (17,606) -957 OTAL OTHER AGENCIES 2,351,900 2,351,900 316,017 13% 728,304 (412,287) 577 STANSFERS IN Public Safety 273,000 20,000 10,295 40% 9,998 (83) -1% 40% 29% 26,866 220,000 20,900 10,295 49% 8,473 1,822 22% 20% 20,528 33,594 114 40% 20,528 33,594 114 40% 20,528 33,594 114 40% 20,528 33,594 114 40% 20,528 33,594 114 40% 20,528 33,594 114 40% 20,528 33,594 114 40% 20,528 33,594 114 40% 20,528 33,594 114 40% 20,528 33,594 114 40% 20,528 33,594 114 40% 20,528 33,594 114 40% 20,528 33,594 114 40% 20,528 33,594 114 40% 20,528 33,594 114 40% 20,528 33,594 114 40% 20,528 33,594 114 40% 20,528 33,594 114 40% 20,528 33,594 114 40% 20,528	Business tax late fee/other fines	2,600	2,600		<u>n/a</u>	1,315	(1,315)	<u>-100%</u>
Motor Vehicle in-Lieu 2,080,000 2,080,000 315,130 15% 709,811 (394,681) 566 271,900 271,900 887 0% 18,493 (17,606) 955 10TAL OTHER AGENCIES 2,351,900 2,351,900 316,017 13% 728,304 (412,287) -575 135 136,017 13% 728,304 (412,287) -575 136 136,017 13% 728,304 (412,287) -575 136 136,017 13% 728,304 (412,287) -575 136 136,017 13% 728,304 (412,287) -575 136 136,017 13% 728,304 (412,287) -575 136,017 13% 728,304 (412,287) -575 136,017 13% 728,304 (412,287) -575 136,017 13% 728,304 (412,287) -575 138,017 10,295 14% 9,998 (83) -1% 148,017	TOTAL FINES AND PENALTIES	93,300	93,300	13,196	14%	17,814	(4,618)	-26%
Other Revenue - Other Agencies 271,900 271,900 887 0% 18,493 (17,606) -957 TOTAL OTHER AGENCIES 2,351,900 2,351,900 316,017 13% 728,304 (412,287) -579 CHARGES CURRENT SERVICES False Alarm Charge 24,700 24,700 9,915 40% 9,998 (83) -19 Business License Application Review 20,900 20,900 10,295 49% 8,473 1,822 229 Recreation Classes 338,784 338,784 63,122 19% 29,528 33,594 114 General Administration Overhead 2,007,978 669,326 33% 618,645 50,681 8% Other Charges Current Services 195,775 195,775 83,986 43% 57,901 26,085 459 TOTAL CURRENT SERVICES 2,588,137 2,588,137 836,644 32% 724,545 112,099 159 OTHER REVENUE 199,750 775,550 220,853 28% 144,479 76,374 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>								
Charges Current Services 2,351,900 2,351,900 316,017 13% 728,304 (412,287) 575	Motor Vehicle in-Lieu	2,080,000	2,080,000	315,130		709,811	(394,681)	
CHARGES CURRENT SERVICES False Alarm Charge 24,700 24,700 9,915 40% 9,998 (83) -1% Business License Application Review 20,900 20,900 10,295 49% 8,473 1,822 22% Recreation Classes 338,784 338,784 63,122 19% 29,528 33,594 114 General Administration Overhead 2,007,978 2,007,978 669,326 33% 618,645 50,681 8% Other Charges Current Services 195,775 195,775 83,986 43% 57,901 26,085 45 TOTAL CURRENT SERVICES 2,588,137 2,588,137 836,644 32% 724,545 112,099 15 OTHER REVENUE Use of money/property 775,550 775,550 220,853 28% 144,479 76,374 53° Other revenues 24,200 24,200 10,177 42% (15,909) 26,086 -164 TOTAL OTHER REVENUE 799,750 799,750 2								
False Alarm Charge	TOTAL OTHER AGENCIES	2,351,900	2,351,900	316,017	13%	728,304	(412,287)	-57%
Business License Application Review 20,900 20,900 10,295 49% 8,473 1,822 222 Recreation Classes 338,784 338,784 63,122 19% 29,528 33,594 114 General Administration Overhead 2,007,978 2,007,978 669,326 33% 618,645 50,681 8% Other Charges Current Services 195,775 195,775 83,986 43% 57,901 26,085 45% TOTAL CURRENT SERVICES 2,588,137 2,588,137 836,644 32% 724,545 112,099 15% OTHER REVENUE Use of money/property 775,550 775,550 220,853 28% 144,479 76,374 53% Other revenues 24,200 24,200 10,177 42% (15,909) 26,086 -164 TOTAL OTHER REVENUE 799,750 799,750 231,030 29% 128,570 102,460 80% TRANSFERS IN Park Maintenance 200,000 200,000 50,0	•							
Recreation Classes 338,784 338,784 63,122 19% 29,528 33,594 114	g .	,	,			,	٠,	
General Administration Overhead 2,007,978 2,007,978 669,326 33% 618,645 50,681 8% Other Charges Current Services 195,775 195,775 83,986 43% 57,901 26,085 45% TOTAL CURRENT SERVICES 2,588,137 2,588,137 836,644 32% 724,545 112,099 15% OTHER REVENUE Use of money/property 775,550 775,550 220,853 28% 144,479 76,374 53% Other revenues 24,200 24,200 10,177 42% (15,909) 26,086 -164 TOTAL OTHER REVENUE 799,750 799,750 231,030 29% 128,570 102,460 80% TRANSFERS IN Park Maintenance 200,000 200,000 50,000 25% 25,000 25,000 100 Sewer Enterprise 17,500 17,500 5,833 33% 5,833 - n/æ Water Enterprise 17,500 17,500 5,833 33% 5,833 - n/æ Public Safety 273,000 273,000 91,000 33% - 91,000 n/æ Community Cultural Center 312,000 312,000 104,000 33% - 104,000 n/æ Other Funds 3,986 3,986 - n/a n/æ TOTAL TRANSFERS IN 823,986 823,986 256,666 31% 36,666 220,000 600	• •							22%
Other Charges Current Services 195,775 195,775 83,986 43% 57,901 26,085 45% TOTAL CURRENT SERVICES 2,588,137 2,588,137 836,644 32% 724,545 112,099 15% OTHER REVENUE Use of money/property 775,550 775,550 220,853 28% 144,479 76,374 53% Other revenues 24,200 24,200 10,177 42% (15,909) 26,086 -164 TOTAL OTHER REVENUE 799,750 799,750 231,030 29% 128,570 102,460 80% TRANSFERS IN Park Maintenance 200,000 200,000 50,000 25% 25,000 25,000 100 Sewer Enterprise 17,500 17,500 5,833 33% 5,833 - n/a Public Safety 273,000 273,000 91,000 33% - 91,000 n/a Community Cultural Center 312,000 312,000 104,000 33% - 104,000 n/a								114%
TOTAL CURRENT SERVICES 2,588,137 2,588,137 836,644 32% 724,545 112,099 159								
Use of money/property 775,550 775,550 220,853 28% 144,479 76,374 53% Other revenues 24,200 24,200 10,177 42% (15,909) 26,086 -164 TOTAL OTHER REVENUE 799,750 799,750 231,030 29% 128,570 102,460 80% TERANSFERS IN Park Maintenance 200,000 200,000 50,000 25% 25,000 25,000 1000 Sewer Enterprise 17,500 17,500 5,833 33% 5,833 - n/a Public Safety 273,000 273,000 91,000 33% - 91,000 n/a Community Cultural Center 312,000 312,000 104,000 33% - 104,000 n/a Other Funds 3,986 3,986 - n/a n/a n/a TOTAL TRANSFERS IN 823,986 823,986 256,666 31% 36,666 220,000 600								45% 1 5%
Use of money/property 775,550 775,550 220,853 28% 144,479 76,374 53% Other revenues 24,200 24,200 10,177 42% (15,909) 26,086 -164 TOTAL OTHER REVENUE 799,750 799,750 231,030 29% 128,570 102,460 80% TRANSFERS IN Park Maintenance 200,000 200,000 50,000 25% 25,000 25,000 1000 Sewer Enterprise 17,500 17,500 5,833 33% 5,833 - n/a Water Enterprise 17,500 17,500 5,833 33% 5,833 - n/a Public Safety 273,000 273,000 91,000 33% - 91,000 n/a Community Cultural Center 312,000 312,000 104,000 33% - 104,000 n/a Other Funds 3,986 3,986 - n/a - n/a n/a - n/a TOTAL TRANSFERS IN 823,986 823,986 256,666 31% 36,666	OTHER REVENUE							
Other revenues 24,200 24,200 10,177 42% (15,909) 26,086 -164 FOTAL OTHER REVENUE 799,750 799,750 231,030 29% 128,570 102,460 80% FRANSFERS IN Park Maintenance 200,000 200,000 50,000 25% 25,000 25,000 100 Sewer Enterprise 17,500 17,500 5,833 33% 5,833 - n/a Water Enterprise 17,500 17,500 5,833 33% 5,833 - n/a Public Safety 273,000 273,000 91,000 33% - 91,000 n/a Community Cultural Center 312,000 312,000 104,000 33% - 104,000 n/a Other Funds 3,986 3,986 - n/a n/a n/a FOTAL TRANSFERS IN 823,986 823,986 256,666 31% 36,666 220,000 600		775 550	775 550	220 853	28%	144 479	76 374	53%
TOTAL OTHER REVENUE 799,750 799,750 231,030 29% 128,570 102,460 80% TRANSFERS IN Park Maintenance 200,000 200,000 50,000 25% 25,000 25,000 1000 Sewer Enterprise 17,500 17,500 5,833 33% 5,833 - n/æ Water Enterprise 17,500 17,500 5,833 33% 5,833 - n/æ Public Safety 273,000 273,000 91,000 33% - 91,000 n/æ Community Cultural Center 312,000 312,000 104,000 33% - 104,000 n/æ Other Funds 3,986 3,986 - n/æ - n/æ - n/æ - n/æ TOTAL TRANSFERS IN 823,986 823,986 256,666 31% 36,666 220,000 6000						,		<u>-164%</u>
Park Maintenance 200,000 200,000 50,000 25% 25,000 25,000 100 Sewer Enterprise 17,500 17,500 5,833 33% 5,833 - n/a Water Enterprise 17,500 17,500 5,833 33% 5,833 - n/a Public Safety 273,000 273,000 91,000 33% - 91,000 n/a Community Cultural Center 312,000 312,000 104,000 33% - 104,000 n/a Other Funds 3,986 3,986 - n/a - n/a - n/a - n/a TOTAL TRANSFERS IN 823,986 823,986 256,666 31% 36,666 220,000 600	· · · · · · · · · · · · · · · · · · ·							80%
Sewer Enterprise 17,500 17,500 5,833 33% 5,833 - n/a Water Enterprise 17,500 17,500 5,833 33% 5,833 - n/a Public Safety 273,000 273,000 91,000 33% - 91,000 n/a Community Cultural Center 312,000 312,000 104,000 33% - 104,000 n/a Other Funds 3,986 3,986 - n/a - n/a - n/a - n/a TOTAL TRANSFERS IN 823,986 823,986 256,666 31% 36,666 220,000 600	TRANSFERS IN							
Water Enterprise 17,500 17,500 5,833 33% 5,833 - n/a Public Safety 273,000 273,000 91,000 33% - 91,000 n/a Community Cultural Center 312,000 312,000 104,000 33% - 104,000 n/a Other Funds 3,986 3,986 - n/a - n/a - n/a - n/a TOTAL TRANSFERS IN 823,986 823,986 256,666 31% 36,666 220,000 600	Park Maintenance	200,000	200,000	50,000	25%	25,000	25,000	100%
Public Safety 273,000 273,000 91,000 33% - 91,000 n/a Community Cultural Center 312,000 312,000 104,000 33% - 104,000 n/a Other Funds 3,986 3,986 - n/a - - n/a TOTAL TRANSFERS IN 823,986 823,986 256,666 31% 36,666 220,000 600	Sewer Enterprise	17,500	17,500	5,833	33%	5,833	-	n/a
Community Cultural Center 312,000 312,000 104,000 33% - 104,000 n/a Other Funds 3,986 3,986 - n/a - - n/a TOTAL TRANSFERS IN 823,986 823,986 256,666 31% 36,666 220,000 600	Water Enterprise	17,500	17,500	5,833	33%	5,833	-	n/a
Other Funds 3,986 3,986 - n/a - - n/z TOTAL TRANSFERS IN 823,986 823,986 256,666 31% 36,666 220,000 600	•	273,000	273,000		33%	-	91,000	n/a
TOTAL TRANSFERS IN 823,986 823,986 256,666 31% 36,666 220,000 600		312,000	312,000	104,000	33%	-	104,000	n/a
	Other Funds	3,986	3,986		<u>n/a</u>		=	<u>n/a</u>
TOTAL GENERAL FUND 16,073,853 16,073,853 4,177,680 26% 4,360,758 (183,078) -4%	TOTAL TRANSFERS IN	823,986	823,986	256,666	31%	36,666	220,000	600%
	TOTAL GENERAL FUND	16,073,853	16,073,853	4,177,680	26%	4,360,758	(183,078)	-4%



FUND REVENUE	ADOPTED	AMENDED	CURRENT YTD	%	PRIOR	INCR (DECR) FROM PRIOR	%
SOURCE	BUDGET	BUDGET	ACTUAL	OF BUDGET	YTD	YTD	OF BUDGE
SPECIAL REVENUE FUNDS							
202 STREET MAINTENANCE							
Gas Tax 2105 - 2107.5	653,400	653,400	238,415	36%	243,338	(4,923)	-2%
Measure A & B	-	-	-	n/a	-	-	n/a
Tea 21	-	-	-	n/a	-	-	n/a
Transfers In	700,000	700,000	225,000	32%	294,250	(69,250)	-24%
Project Reimbursement		-		n/a	-	-	n/a
Interest / Other Revenue/Other Charges	14,861	14,861	114,001	<u>767%</u>	16,254	97,747	<u>601%</u>
202 STREET MAINTENANCE	1,368,261	1,368,261	577,416	42%	553,842	23,574	4%
04/205 PUBLIC SAFETY TRUST							
Interest Income	9,956	9,956	1,993	20%	5,608	(3,615)	-64%
Police Grant/SLEF	100,000	100,000	-	n/a	100,000	(100,000)	-100%
PD Block Grant	-	· -	-	n/a	· -	-	n/a
CA Law Enforcement Equip.Grant	_	_	_	n/a	_	_	n/a
Federal Police Grant (COPS)	_	_	_	n/a	_	_	n/a
Transfers In	_	_	_	n/a	_	_	n/a
204/205 PUBLIC SAFETY TRUST	109,956	109,956	1,993	2%	105,608	(103,615)	-98%
206 COMMUNITY DEVELOPMENT							
Building Fees	1,100,500	1,100,500	794,843	72%	399,829	395,014	99%
Planning Fees	616,496	616,496	148,118	24%	187,496	(39,378)	-21%
Engineering Fees	519,600	519,600	118,122	23%	285,454	(167,332)	-59%
Other Revenue/Current Charges	9,763	9,763	7,994	82%	17,242	(9,248)	-54%
Transfers	30,000	30,000	10,000	33%	17,272	10,000	n/a
206 COMMUNITY DEVELOPMENT	2,276,359	2,276,359	1,079,077	47%	890,021	189,056	21%
207 GENERAL PLAN UPDATE	76,087	76,087	34,231	45%	39,379	(5,148)	-13%
215 and 216 HCD BLOCK GRANT							
HCD allocation	152,000	152,000		n/a	_	_	n/a
Interest Income/Other Revenue	3,900	3,900	5,583	143%	3,342	2,241	67%
Transfers	782	782	-	<u>n/a</u>		_,	<u>n/a</u>
15 and 216 HCD BLOCK GRANT	156,682	156,682	5,583	4%	3,342	2,241	67%
10 COMMUNITY CENTER	6,198	6,198	1,446	23%	107,213	(105,767)	-99%
20 MUSEUM RENTAL	41	41	5	12%	32	(100,707)	-84%
25 ASSET SEIZURE	583	583	163	28%	497	(334)	-67%
226 OES/FEMA	-	-	-	n/a		(304)	n/a
29 LIGHTING AND LANDSCAPE	127,770	127,770	132	0%	540	(408)	-76%
32 ENVIRONMENTAL PROGRAMS	387,209	387,209	93,347	24%	132,178	(38,831)	-29%
34 MOBILE HOME PARK RENT STAB.	6,298	6,298	3,217	51%	6,256	(3,039)	-49%
235 SENIOR HOUSING	6,897	6,897	1,093	16%	2,062	(969)	-47%
36 HOUSING MITIGATION	27,775	27,775	4,466	16%	9,033	(4,567)	-51%
240 EMPLOYEE ASSISTANCE	20,162	20,162	10,761	53%	40,237	(29,476)	-73%
TOTAL SPECIAL REVENUE FUNDS	4,570,278	4,570,278	1,812,930	40%	1,890,240	(77,310)	-4%



CITY OF MORGAN HILL	33% of Year Co	mpietea					
FUND			CURRENT			INCR (DECR)	
REVENUE	ADOPTED	AMENDED	YTD	%	PRIOR	FROM PRIOR	%
SOURCE	BUDGET	BUDGET	ACTUAL	OF BUDGET	YTD	YTD	OF BUDG
CAPITAL PROJECTS FUNDS							
301 PARK DEVELOPMENT	435,072	435,072	335,498	77%	191,630	143,868	75%
302 PARK MAINTENANCE	257,923	257,923	54,022	21%	119,750	(65,728)	-55%
303 LOCAL DRAINAGE	291,028	291,028	89,753	31%	159,496	(69,743)	
304 LOCAL DRAINAGE/NON AB1600	157,378	157,378	60,064	38%	130,990	(70,926)	
305 OFF-STREET PARKING	95	95	17	18%	34	(17)	
306 OPEN SPACE	57,428	57,428	63,726	111%	2,151	61,575	2863%
309 TRAFFIC MITIGATION	662,507	662,507	794,789	120%	200,523	594,266	296%
311 POLICE MITIGATION	51,569	51,569	35,121	68%	43,470	(8,349)	
313 FIRE MITIGATION	147,884	147,884	101,272	68%	101,516	(244)	0%
17 RDA CAPITAL PROJECTS							
Property Taxes & Supplemental Roll	14,086,573	14,086,573	118,513	1%	293,709	(175,196)	
Development Agreements			-	n/a	-	-	n/a
Interest Income, Rents			56,821	n/a	136,411	(79,590)	
Other Agencies/Current Charges	9,450,000	9,450,000	20,719	<u>0%</u>	3,549	17,170	<u>484%</u>
317 RDA CAPITAL PROJECTS	23,536,573	23,536,573	196,053	1%	433,669	(237,616)	-55%
27/328 RDA L/M HOUSING	0.704.005	0.704.005	22.222	40/	74.004	(44.500)	200/
Property Taxes & Supplemental Roll	3,791,085	3,791,085	29,628	1%	74,224	(44,596)	
Interest Income, Rent	45,364	45,364	50,147	111%	45,430	4,717	10%
Other 27/328 RDA L/M HOUSING	90 3,836,539	90 3,836,539	591 80,366	<u>657%</u> 2%	470 120,124	(39,758)	<u>26%</u> -33%
46 PUBLIC FACILITIES NON-AB1600	9,875,877	9,875,877	29,758	0%	47,182	(17,424)	-37%
347 PUBLIC FACILITIES	46,900	46,900	46,512	99%	35,511	11,001	31%
348 LIBRARY	30,782	30,782	29,012	94%	15,475	13,537	87%
350 UNDERGROUNDING	31,495	31,495	5,376	17%	9,962	(4,586)	
340 MORGAN HILL BUS.RANCH CIP I	1,144	1,144	206	18%	409	(203)	
342 MORGAN HILL BUS.RANCH CIP II	1,282	1,282	232	18%	460	(228)	
660 COMMUNITY/REC IMPACT FUND	.,	.,	307	n/a	-	307	n/a
TOTAL CAPITAL PROJECTS FUNDS	39,421,476	39,421,476	1,922,084	5%	1,612,352	309,732	19%
DEBT SERVICE FUNDS							
527 HIDDEN CREEK		_	_	n/a	_	_	n/a
33 DUNNE AVE. / CONDIT ROAD	-	-	-	n/a	-	-	n/a
36 ENCINO HILLS	1,631	1,631	290	18%	576	(286)	-50%
39 MORGAN HILL BUSINESS PARK	447	447	50	11%	99	(49)	
42 SUTTER BUSINESS PARK	730	730	107	15%	211	(104)	
45 COCHRANE BUSINESS PARK	119,887	119,887	1,443	1%	4,228	(2,785)	
51 JOLEEN WAY	34,955	34,955	121	0%	271	(150)	
TOTAL DEBT SERVICE FUNDS	157,650	157,650	2,011	1%	5,385	(3,374)	-63%



CITI OF MORGAN HILL	33% of Year Co	mpieteu					
FUND			CURRENT			INCR (DECR)	
REVENUE SOURCE	ADOPTED BUDGET	AMENDED BUDGET	YTD ACTUAL	% OF BUDGET	PRIOR YTD	FROM PRIOR YTD	% OF BUDGE
ENTERPRISE FUNDS	BODGET	BUDGET	ACTUAL	OF BUDGET	טוו	110	OF BUDGE
ENTERPRISE FUNDS							
640 SEWER OPERATION							
Sewer Service Fees	5,321,460	5,321,460	1,784,679	34%	1,896,668	(111,989)	-6%
Interest Income	51,960	51,960	16,707	32%	37,541	(20,834)	-55%
Sewer Rate Stabilization	-	-	-	n/a	-	-	n/a
Other Revenue/Current Charges	113,950	113,950	71,854	<u>63%</u>	50,697	21,157	<u>42%</u>
640 SEWER OPERATION	5,487,370	5,487,370	1,873,240	34%	1,984,906	(111,666)	-6%
641 SEWER EXPANSION							
Interest Income	26,580	26,580	21,876	82%	52,893	(31,017)	-59%
Connection Fees	600,000	600,000	1,032,066	172%	176,345	855,721	485%
Other	-	-	264	<u>n/a</u>	264	-	n/a
641 SEWER EXPANSION	626,580	626,580	1,054,206	168%	229,502	824,704	359%
642 SEWED DATE STADILIZATION	90 559	90 559	46.066	400/	20.422	(4.4.466)	470/
642 SEWER RATE STABILIZATION	89,558	89,558 -	16,266	18%	30,432	(14,166)	-47%
643 SEWER-CAPITAL PROJECT	525,416	525,416	137,687	26%	157,023	(19,336)	-12%
TOTAL SEWER FUNDS	6,728,924	6,728,924	3,081,399	46%	2,401,863	679,536	28%
650 WATER OPERATION							
Water Sales	5,738,350	5,738,350	3,067,139	53%	2,952,523	114,616	4%
Meter Install & Service	40,000	40,000	22,349	56%	18,185	4,164	23%
Transfers-In, and Interest Income	1,045,785	1,045,785	364,891	35%	97,459	267,432	274%
Other Revenue/Current Charges	249,584	249,584	127,589	51%	157,860	(30,271)	-19%
650 WATER OPERATION	7,073,719	7,073,719	3,581,968	51%	3,226,027	355,941	11%
651 WATER EXPANSION	504.000	504.000	500.000	4400/	105 504	405.044	0.470/
Interest Income/Other Revenue/Transfer	501,803	501,803	560,898	112%	125,584	435,314	347%
Water Connection Fees	160,000	160,000	174,614	<u>109%</u>	50,696	123,918	<u>244%</u>
651 WATER EXPANSION	661,803	661,803	735,512	111%	176,280	559,232	317%
652 Water Rate Stabilization	20,517	20,517	3,455	17%	7,359	(3,904)	-53%
653 Water Capital Project	402,395	402,395	481,073	120%	335,923	145,150	43%
TOTAL WATER FUNDS	8,158,434	8,158,434	4,802,008	59%	3,745,589	1,056,419	28%
TOTAL ENTERPRISE FUNDS	14,887,358	14,887,358	7,883,407	53%	6,147,452	1,735,955	28%
INTERNAL SERVICE FUNDS							
730 INFORMATION SERVICES	245,262	245,262	81,754	33%	127,063	(45,309)	-36%
740 BUILDING MAINTENANCE SERVICES	891,042	891,042	298,466	33%	209,315	89,151	43%
745 CIP ADMINISTRATION	1,447,120	1,447,120	430,344	30%	379,570	50,774	13%
760 UNEMPLOYMENT INSURANCE	29,452	29,452	7,363	25%		7,363	n/a
770 WORKERS COMPENSATION	687,700	687,700	163,570	24%	137,728	25,842	19%
790 EQUIPMENT REPLACEMENT	198,367	198,367	80,066	40%	187,274	(107,208)	
793 CORPORATION YARD COMMISSION	160,005	160,005	38,671	24%	836,533	(797,862)	
795 GENERAL LIABILITY INSURANCE	389,927	389,927	128,362	33%	117,132	11,230	10%
TOTAL INTERNAL SERVICE FUNDS	4,048,875	4,048,875	1,228,596	30%	1,994,615	(766,019)	-38%
TOTAL INTERNAL SERVICE FUNDS	4,040,073	4,040,073	1,220,336	30 /0	1,334,015	(100,019)	-30 /0



FUND			CURRENT			INCR (DECR)	
REVENUE	ADOPTED	AMENDED	YTD	%	PRIOR	FROM PRIOR	%
SOURCE	BUDGET	BUDGET	ACTUAL	OF BUDGET	YTD	YTD	OF BUDGET
AGENCY FUNDS							
841 M.H. BUS.RANCH A.D. I	736,175	736,175	5,939	1%	12,384	(6,445)	-52%
842 M.H. BUS.RANCH A.D. II	37,177	37,177	413	1%	2,044	(1,631)	-80%
843 M.H. BUS.RANCH 1998	883,205	883,205	2,667	0%	7,235	(4,568)	-63%
845 MADRONE BP-TAX EXEMPT	807,439	807,439	2,276	0%	6,328	(4,052)	-64%
846 MADRONE BP-TAXABLE	167,254	167,254	456	0%	178	278	156%
848 TENNANT AVE.BUS.PK A.D.	39,523	39,523	61,343	155%	2,772	58,571	2113%
881 POLICE DONATION TRUST FUND	245	245	95	39%	178	(83)	-47%
TOTAL AGENCY FUNDS	2,671,018	2,671,018	73,189	3%	31,119	42,070	135%
TOTAL FOR ALL FUNDS	81,830,508	81,830,508	17,099,897	21%	16,041,921	1,197,358	7%



NO. FUND/ACTIVITY ACTUAL ADOPTED AMENDED YTD OUTSTANDING TOTAL			THIS						
	FUND		MONTH						PERCENT OF
EXPENSES BUDGET BUDGET EXPENSES ENGUMBRANCE ALLOCATED	NO.	FUND/ACTIVITY	ACTUAL	ADOPTED	AMENDED	YTD	OUTSTANDING	TOTAL	TOTAL TO
EXPENSES BUDGET BUDGET EXPENSES ENCUMBRANCE ALLOCATED			EXPENSES	BUDGET	BUDGET	EXPENSES	ENCUMBRANCE	ALLOCATED	BUDGET

GENERAL GOVERNMENT							
COUNCIL AND MISCELLANEOUS GOVT							
City Council	15,666	194,400	194,400	72,689	16,957	89,646	46%
Community Promotions	2,802	31,542	31,542	7,212		7,212	23%
COUNCIL AND MISCELLANEOUS GO	18,468	225,942	225,942	79,901	16,957	96,858	43%
CITY ATTORNEY	44,338	615,917	615,917	155,506	88,063	243,569	<u>40%</u>
CITY MANAGER							
City Manager	39,549	391,162	391,162	127,751	404	128,155	33%
Cable Television	1,210	45,236	46,986	16,043	23,016	39,059	83%
Communications & Marketing	7,706	106,576	106,576	27,939	25,282	53,221	50%
CITY MANAGER	48,465	542,974	544,724	171,733	48,702	220,435	40%
RECREATION							
Recreation	44,660	455,503	463,468	141,028	7,245	148,273	32%
Community & Cultural Center	39,952	739,223	766,023	167,798	124,879	292,677	38%
Aquatics Center	442	273,890	273,890	5,418	40.00=	5,418	2%
Building Maintenance (CCC)	77,432	416,108	427,967	173,123	46,335	219,458	<u>51%</u>
RECREATION	162,486	1,884,724	1,931,348	487,367	178,459	665,826	34%
HUMAN RESOURCES							
Human Resources	52,644	582,687	582,687	189,729	-	189,729	33%
Volunteer Programs	2,691	34,442	34,442	8,272		8,272	24%
HUMAN RESOURCES	55,335	617,129	617,129	198,001	-	198,001	32%
CITY CLERK							
City Clerk	26,959	302,672	303,533	82,949	861	83,810	28%
Elections	4,105	70,576	70,576	13,025		13,025	18%
CITY CLERK	31,064	373,248	374,109	95,974	861	96,835	26%
FINANCE	102,104	889,208	891,223	304,694	1,449	306,143	34%
MEDICAL SERVICES	-		5,000		-	-	n/a
OTAL GENERAL GOVERNMENT	462,260	5,149,142	5,205,392	1,493,176	334,491	1,827,667	35%
PUBLIC SAFETY							
PUBLIC SAFETY POLICE							
	53,427	491,711	491,711	154,402	2,318	156,720	32%
POLICE	53,427 325,435	491,711 3,207,070	491,711 3,274,188	154,402 1,006,654	2,318 15,542	156,720 1,022,196	32% 31%
POLICE PD Administration		,			,	,	
POLICE PD Administration Patrol	325,435	3,207,070	3,274,188	1,006,654	15,542	1,022,196	31%
POLICE PD Administration Patrol Support Services	325,435 82,825	3,207,070 897,092	3,274,188 897,092	1,006,654 260,588	15,542 10,643	1,022,196 271,231	31% 30%
POLICE PD Administration Patrol Support Services Emergency Services/Haz Mat	325,435 82,825 4,364	3,207,070 897,092 33,858	3,274,188 897,092 33,858	1,006,654 260,588 16,478	15,542 10,643 4,013 2,671	1,022,196 271,231 20,491	31% 30% 61%
POLICE PD Administration Patrol Support Services Emergency Services/Haz Mat Special Operations	325,435 82,825 4,364 123,447	3,207,070 897,092 33,858 1,176,399	3,274,188 897,092 33,858 1,179,974	1,006,654 260,588 16,478 364,136	15,542 10,643 4,013	1,022,196 271,231 20,491 366,807	31% 30% 61% 31% 32%
POLICE PD Administration Patrol Support Services Emergency Services/Haz Mat Special Operations Animal Control	325,435 82,825 4,364 123,447 8,007	3,207,070 897,092 33,858 1,176,399 76,159	3,274,188 897,092 33,858 1,179,974 76,159	1,006,654 260,588 16,478 364,136 24,670	15,542 10,643 4,013 2,671	1,022,196 271,231 20,491 366,807 24,670	31% 30% 61% 31% 32% <u>31%</u>
POLICE PD Administration Patrol Support Services Emergency Services/Haz Mat Special Operations Animal Control Dispatch Services	325,435 82,825 4,364 123,447 8,007 84,753	3,207,070 897,092 33,858 1,176,399 76,159 858,218	3,274,188 897,092 33,858 1,179,974 76,159 859,318	1,006,654 260,588 16,478 364,136 24,670 269,436	15,542 10,643 4,013 2,671 - 1,100	1,022,196 271,231 20,491 366,807 24,670 270,536	31% 30% 61% 31% 32% <u>31%</u> 31%
POLICE PD Administration Patrol Support Services Emergency Services/Haz Mat Special Operations Animal Control Dispatch Services POLICE	325,435 82,825 4,364 123,447 8,007 84,753 682,258	3,207,070 897,092 33,858 1,176,399 76,159 858,218 6,740,507	3,274,188 897,092 33,858 1,179,974 76,159 859,318 6,812,300	1,006,654 260,588 16,478 364,136 24,670 269,436 2,096,364	15,542 10,643 4,013 2,671 - 1,100	1,022,196 271,231 20,491 366,807 24,670 270,536 2,132,651	31% 30% 61% 31%
POLICE PD Administration Patrol Support Services Emergency Services/Haz Mat Special Operations Animal Control Dispatch Services POLICE FIRE DTAL PUBLIC SAFETY	325,435 82,825 4,364 123,447 8,007 84,753 682,258 312,081	3,207,070 897,092 33,858 1,176,399 76,159 858,218 6,740,507 3,745,220	3,274,188 897,092 33,858 1,179,974 76,159 859,318 6,812,300 3,745,220	1,006,654 260,588 16,478 364,136 24,670 269,436 2,096,364 1,248,326	15,542 10,643 4,013 2,671 - 1,100 36,287	1,022,196 271,231 20,491 366,807 24,670 270,536 2,132,651 1,248,326	31% 30% 61% 31% 32% 31% 31%
POLICE PD Administration Patrol Support Services Emergency Services/Haz Mat Special Operations Animal Control Dispatch Services POLICE FIRE	325,435 82,825 4,364 123,447 8,007 84,753 682,258 312,081	3,207,070 897,092 33,858 1,176,399 76,159 858,218 6,740,507 3,745,220	3,274,188 897,092 33,858 1,179,974 76,159 859,318 6,812,300 3,745,220	1,006,654 260,588 16,478 364,136 24,670 269,436 2,096,364 1,248,326	15,542 10,643 4,013 2,671 - 1,100 36,287	1,022,196 271,231 20,491 366,807 24,670 270,536 2,132,651 1,248,326	31% 30% 61% 31% 32% 31% 31%
POLICE PD Administration Patrol Support Services Emergency Services/Haz Mat Special Operations Animal Control Dispatch Services POLICE FIRE DTAL PUBLIC SAFETY	325,435 82,825 4,364 123,447 8,007 84,753 682,258 312,081	3,207,070 897,092 33,858 1,176,399 76,159 858,218 6,740,507 3,745,220	3,274,188 897,092 33,858 1,179,974 76,159 859,318 6,812,300 3,745,220	1,006,654 260,588 16,478 364,136 24,670 269,436 2,096,364 1,248,326	15,542 10,643 4,013 2,671 - 1,100 36,287	1,022,196 271,231 20,491 366,807 24,670 270,536 2,132,651 1,248,326	31% 30% 61% 31% 32% 31% 31%



		THIS						
FUND NO.	FUND/ACTIVITY	MONTH	ADODTED	AMENDED	YTD	OUTSTANDING	TOTAL	PERCENT O
NO.	FUND/ACTIVITY	ACTUAL EXPENSES	ADOPTED BUDGET	AMENDED BUDGET	EXPENSES	OUTSTANDING ENCUMBRANCE	TOTAL ALLOCATED	TOTAL TO BUDGET
V. TRA	INSFERS							
	Street Maintenance					_	_	n/a
	Community Center					-	-	n/a
	General Plan Update					-	-	<u>n/a</u>
TC	OTAL TRANSFERS	-	-	-	-	-	-	n/a
TOTAL (GENERAL FUND	1,521,598	16,445,192	16,585,752	5,030,987	391,110	5,422,097	33%
SPECIAI	L REVENUE FUNDS							
202 STD	EET MAINTENANCE							
202 31R	Street Maintenance/Traffic	203,807	1,533,793	1,672,928	436,475	88,465	524,940	31%
	Congestion Management	5,343	78,868	78,868	15,888	-	15,888	20%
	Street CIP	13,390	514,800	1,111,206	96,921	736,271	833,192	<u>75%</u>
202 STR	EET MAINTENANCE	222,540	2,127,461	2,863,002	549,284	824,736	1,374,020	48%
204/205	PUBLIC SAFETY/SUPP.LAW	22,799	273,582	273,582	91,194		91,194	33%
206 COI	MMUNITY DEVELOPMENT FUND							
	Planning	113,236	979,437	1,129,767	359,029	228,395	587,424	52%
	Building	78,610	956,070	1,016,487	264,596	74,740	339,336	33%
	PW-Engineering	82,922	1,029,375	1,072,275	292,191	164,174	456,365	<u>43%</u>
206 COI	MMUNITY DEVELOPMENT FUND	274,768	2,964,882	3,218,529	915,816	467,309	1,383,125	43%
207	GENERAL PLAN UPDATE	3,826	71,257	197,413	8,715	124,821	133,536	68%
210	COMMUNITY CENTER	26,000	312,000	312,000	104,000	-	104,000	33%
215/216	CDBG	8,115	195,769	385,942	14,213	16,496	30,709	8%
220	MUSEUM RENTAL	169	2,422	2,422	649	-	649	27%
225	ASSET SEIZURE					-	-	n/a
226	OES/FEMA	-	-	-	-	-	-	n/a
229	LIGHTING AND LANDSCAPE	13,317	154,755	167,001	50,028	6,574	56,602	34%
232	ENVIRONMENT PROGRAMS	24,466	452,029	499,894	106,181	115,394	221,575	44%
234	MOBILE HOME PARK	2,334	39,661	39,661	39,547	22,705	62,252	157%
235	SENIOR HOUSING TRUST FUN	-	14,300	14,300	-	8,600	8,600	60%
236 240	HOUSING MITIGATION FUND EMPLOYEE ASSISTANCE	2,000	1,033,497 20,000	1,033,497 20,000	11,500	-	11,500	n/a 58%
TOTAL S	SPECIAL REVENUE FUNDS	600,334	7,661,615	9,027,243	1,891,127	1,586,635	3,477,762	39%
.01/12	57 201/12 NEVENOE 1 01150	000,00-1	1,001,010	0,027,240	1,001,127	1,000,000	0,477,702	30 /10
CAPITAI	L PROJECT FUNDS							
301	PARK DEVELOPMENT	14,631	1,570,296	2,192,254	42,393	106,108	148,501	7%
302	PARK MAINTENANCE		200,000	200,000	50,000	-	50,000	25%
303	LOCAL DRAINAGE	370	2,028,393	2,261,893	5,889	-	5,889	0%
304	LOCAL DRAIN. NON-AB1600	2,656	191,868	191,868	10,623	-	10,623	6%
305	OFF STREET PARKING	-	3,986	3,986	-	-		n/a
309	TRAFFIC MITIGATION	219,648	936,333	1,720,135	240,209	338,923	579,132	34%
311	POLICE MITIGATION	554	1,206,645	1,226,645	12,215	10,000	22,215	2%
313	FIRE MITIGATION	863	401,545	401,545	1,249	40 504 000	1,249	0% 61%
317	RDA HOUSING	2,426,741	27,346,151	39,964,614	11,786,728	12,581,096	24,367,824	61%
327/328	RDA HOUSING	164,005	4,592,332	8,538,767	3,479,589	89,374	3,568,963	42%
346 347	PUBLIC FAC.NON AB1600 PUBLIC FACILITIES	14,672	9,808,000	9,808,000	15,255	06E 640	15,255	0% 55%
	LIBRARY IMPACT	4,261 19	831,229 225	1,780,763 225	110,565 75	865,640	976,205 75	55% 33%
348 350	UNDERGROUNDING	19 36	190,437	190,437	75 146	-	75 146	33% 0%
ΤΟΤΔΙ (CAPITAL PROJECTS FUNDS	2,848,456	49,307,440	68,481,132	15,754,936	13,991,141	29,746,077	43%
. OTAL	TAL I ROLL TO TONDO	2,070,400	70,001,440	00,401,102	10,104,330	10,001,141	20,170,017	73 /0



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FUND		THIS						DEDOENT
FUND	FUND/A CTIV/ITV	MONTH	ADODTED	AMENDED	VTD	CUTCTANDING	TOTAL	PERCENT C
NO.	FUND/ACTIVITY	ACTUAL	ADOPTED	AMENDED	YTD	OUTSTANDING	TOTAL	TOTAL TO
		EXPENSES	BUDGET	BUDGET	EXPENSES	ENCUMBRANCE	ALLOCATED	BUDGET
DEBT SE	ERVICE FUNDS							
527	HIDDEN CREEK A.D.							n/a
536		-	-	-	-	-	-	n/a n/a
	ENCINO HILLS A.D.	-	-	-	-	-	-	
539	MORGAN HILL BUS. PARK A.D	-	-	-	-	-	-	n/a
542	SUTTER BUS. PARK A.D.	-	405.005	405.005	445.054	-	445.054	n/a
545 551	COCHRANE BUS. PARK A.D. JOLEEN WAY A.D.	628 628	195,805 40,540	195,805 40,540	145,854 29,805	-	145,854 29,805	74% 74%
1 50	JOLEEN WAT A.D.	020	40,540	40,540	29,005	-	29,005	14/0
TOTAL [DEBT SERVICE FUNDS	1,256	236,345	236,345	175,659	-	175,659	74%
ENTERP	PRISE FUNDS							
SEWED								
SEWER	SEWED OPERATION	000 000	7 440 40-	7 540 707	2 4 4 4	64 746	2 000 40-	400/
640	SEWER OPERATION	682,929	7,418,125	7,513,797	3,141,755	64,712	3,206,467	43%
641	CAPITAL EXPANSION	82,918	3,576,249	3,697,697	230,151	73,895	304,046	8%
642	SEWER RATE STABILIZATION	197	2,369	2,369	790		790	33%
643	SEWER-CAPITAL PROJECTS	24,647	437,843	1,616,022	265,043	169,835	434,878	<u>27%</u>
TOTAL S	SEWER FUND(S)	790,691	11,434,586	12,829,885	3,637,739	308,442	3,946,181	31%
NATER								
	Water Operations Division	678,930	6,213,247	6,738,996	2,135,104	351,515	2,486,619	37%
	Meter Reading/Repair	44,767	637,156	669,538	142,762	251,895	394,657	59%
	Utility Billing	40,111	391,570	394,863	126,113	19,326	145,439	37%
	Water Conservation	102	8,213	8,213	409	-	409	<u>5%</u>
50	WATER OPERATIONS	763,910	7,250,186	7,811,610	2,404,388	622,736	3,027,124	39%
551	CAPITAL EXPANSION	-			323,289	•	1,127,819	43%
		145,805	1,546,253	2,652,299	-	804,530		
552	WATER RATE STABILIZATION	70,879	850,551	850,551	283,517		283,517	33%
553	WATER-CAPITAL PROJECTS	422,666	2,158,239	2,951,478	443,673	319,804	763,477	<u>26%</u>
IOIALV	WATER FUND(S)	1,403,260	11,805,229	14,265,938	3,454,867	1,747,070	5,201,937	36%
TOTAL E	ENTERPRISE FUNDS	2,193,951	23,239,815	27,095,823	7,092,606	2,055,512	9,148,118	34%
INTERNA	AL SERVICE FUNDS							
730	INFORMATION SERVICES	17,465	245,262	262,996	71,374	141,284	212,658	81%
		-	-	-	-	-	•	22%
740	BUILDING MAINTENANCE	37,141	642,029	665,031	119,656	24,497	144,153	
45	CIP ENGINEERING	136,001	1,447,120	1,552,806	430,344	134,784	565,128	36%
760	UNEMPLOYMENT	6,911	30,000	30,000	6,911	-	6,911	23%
70	WORKERS COMPENSATION	88,196	697,200	736,200	256,890	32,849	289,739	39%
790	EQUIPMENT REPLACEMENT	29,888	251,761	260,878	39,445	3,161	42,606	16%
793	CORP YARD COMMISSION	5,358	160,005	170,920	26,929	6,619	33,548	20%
795	GEN. LIABILITY INSURANCE	8,452	371,600	371,600	272,847	-	272,847	73%
TOTAL I	NTERNAL SERVICE FUNDS	329,412	3,844,977	4,050,431	1,224,396	343,194	1,567,590	39%
AGENCY	Y FUNDS							
0.4.4	MODGAN HILL BUG BANGUL	000	702 700	702 700	004744		004744	4200/
341	MORGAN HILL BUS RANCH I	628	723,706	723,706	984,744	-	984,744	136%
342	MORGAN HILL BUS RANCH II	628	38,838	38,838	38,110	-	38,110	98%
343	MORGAN HILL BUS RANCH 98	3,251	871,086	871,086	582,442	-	582,442	67%
345	MADRONE BP-TAX EXEMPT	628	799,731	799,731	506,221	-	506,221	63%
346	MADRONE BP-TAXABLE	628	172,343	172,343	95,983	-	95,983	56%
348	TENNANT AVE BUS PARK AD	-	-	-	-	-	-	n/a
881	POLICE DONATION TRUST	-	-	-	-	-	-	n/a
OTAL A	AGENCY FUNDS	5,763	2,605,704	2,605,704	2,207,500	-	2,207,500	85%
REPORT	Γ TOTAL	7,500,770	103 341 088	128,082,430	33,377,211	18,367,592	51,744,803	40%
LI-OKI	IVIAL	1,000,110	100,041,000	120,002,430	33,377,217	10,507,592	31,744,003	40 /0



City of Morgan Hill Enterprise Funds Report - Fiscal Year 2003/04 For the Month of October 2003 33% of Year Completed

YTD INCOME STATEMENT FOR CURRENT AND PRIOR YEAR

		Sewer Oper	rations			Water Ope	rations	
			% of	Prior			% of	Prior
	Budget	YTD	Budget	YTD	Budget	YTD	Budget	YTD
Operations								
Revenues								
Service Charges Meter Install & Service	\$ 5,321,460	\$ 1,784,679	34%	\$ 1,896,668	\$ 5,738,350 40,000	\$ 3,067,139 22,349	53% 56%	. , ,
Other	113,950	71,854	63%	50,697	249,584	132,624	53%	162,895
Total Operating Revenues	5,435,410	1,856,533	34%	1,947,365	6,027,934	3,222,112	53%	3,133,603
Expenses								
Operations Meter Reading/Repair Utility Billing/Water Conservation	4,533,215	1,466,858	32%	1,159,514	4,750,307 637,156 399,783	1,840,348 142,762 126,522	39% 22% 32%	1,414,632 202,129 103,301
Total Operating Expenses	4,533,215	1,466,858	32%	1,159,514	5,787,246	2,109,632	36%	1,720,062
Operating Income (Loss)	902,195	389,675		787,851	240,688	1,112,480		1,413,541
Nonoperating revenue (expense)								
Interest Income Interest Expense/Debt Services Principal Expense/Debt Services	51,960 (856,625) (1,115,000)	16,707 (297,135) (1,115,000)	32% 35% 100%	(713,283)	, , ,			34,465
Total Nonoperating revenue (expense)	(1,919,665)	(1,395,428)		(1,310,742)	(545,440)	11,261		34,465
Income before operating xfers	(1,017,470)	(1,005,753)		(522,891)	(304,752)	1,123,741		1,448,006
Operating transfers in Operating transfers (out)	- (913,285)	(262,762)	29%	- (255,459)	1,045,785 (917,500)	348,595 (294,757)	33% 32%	57,959 (554,167)
Net Income (Loss)	\$ (1,930,755)	\$ (1,268,515)		\$ (778,350)	\$ (176,467)	\$ 1,177,579		\$ 951,798



City of Morgan Hill **Balance Sheets - Water and Sewer Funds** October 31, 2003 33% of Year Complete

	Sewer Operations (640)	Sewer Expansion Stabilization Capital Projects (641-643)	Water Operations (650)	Water Expansion Stabilization Capital Projects (651-653)
ASSETS				
Cash and investments:				
Unrestricted	3,140,939	6,670,968	2,841,665	4,482,246
Restricted ¹	1,898,338	5,511,025	390,907	297,340
Accounts Receivable		6,830		
Utility Receivables	658,950		1,013,166	
Less Allowance for Doubtful Accounts Notes Receivable ²	(2,633)		(2,751)	
Fixed Assets ³	31,802,423	9,911,459	23,624,141	8,620,812
Total Assets	37,498,017	22,100,282	27,867,128	13,400,398
LIABILITIES				
Accounts Payable and Accrued Liabilities Deposits for Water Services & Other Deposits Deferred Revenue 4	256,724	128,213	60,490 35,434	
Bonds Payable	25,390,000		5,985,863	
Discount on Bonds and Other Liabilities	(2,705,125)		(957,773)	
Accrued Vacation and Comp Time	41,966		88,959	
Total liabilities	22,983,565	128,213	5,212,973	0
FUND EQUITY				
Contributed Capital Retained Earnings	6,686,483		13,047,150	
Reserved for:				
Noncurrent water/sewer assets & debt	9,075,582	9,911,459	18,507,092	8,620,811
Encumbrances Notes Receivable	64,712	243,730	622,736	1,124,334
Restricted Cash	1,898,338	0	390,907	
		40.177.100	· · · · · · · · · · · · · · · · · · ·	
Total Reserved Retained Earnings	11,038,632	10,155,189	19,520,735	9,745,145
Unreserved Retained Earnings	3,475,820	11,816,880	3,133,420	3,655,253
Total Fund Equity	14,514,452	21,972,069	22,654,155	13,400,398
Total Liabilities and Fund Equity	37,498,017	22,100,282	27,867,128	13,400,398

Restricted for Bond Reserve requirements and capital expansion.
 Includes Note for Sewer Financing Agreements.
 Includes Water and Sewer infrastructure and the City's share of the Wastewater treatment plant.

⁴ Includes the deferred payment portion of the loans noted above.



City of Morgan Hill Balance Sheets for Major Funds - Fiscal Year 2003/04 October 31, 2003 33% of Year Complete

L/M Housing

Sewer

Water

RDA

	(Fund 010)	(Fund 317)	(Fund 327/328)	(Fund 640)	(Fund 650)
ASSETS	(i dillo o i o)	(i dilid o i i)	(i dina dina di	(1 0.110 0 10)	(i unu sos)
Cash and investments:					
Unrestricted	10,102,929	7,015,168	2,832,129	3,140,939	2,841,665
Restricted ¹	4,150	1,010,100	_,,	1,898,338	390,907
Accounts Receivable	942,912	3,200	7,806	1,000,000	
Utility Receivables (Sewer and Water)				658,950	1,013,166
Less Allowance for Doubtful Accounts				(2,633)	(2,751)
Loans and Notes Receivable ²	509,649	3,344,470	24,300,879	204 404	
Prepaid Expense Fixed Assets ³		74.040		221,124	00 004 444
Fixed Assets		71,049		31,802,423	23,624,141
Total Assets	11,559,640	10,433,887	27,140,814	37,719,141	27,867,128
LIABILITIES					
Accounts Payable and Accrued Liabilities	284,176	20,180	13,354	256,724	60,490
Deposits for Water Services & Other Deposits	31,252	20,100	13,354	250,724	35,434
Deferred Revenue 4	828,903	1,143,834	6,286,255		33, 131
Bonds Payable	020,000	1,110,001	0,200,200	25,390,000	5,985,863
Discount on Bonds and Other Liabilities	132,111			(2,705,125)	(957,773)
Accrued Vacation and Comp Time				41,966	88,959
Total liabilities	1,276,442	1,164,014	6,299,609	22,983,565	5,212,973
FUND EQUITY					
Contributed Capital				6,686,483	13,047,150
Fund Balance / Retained Earnings					
Reserved for:					
Noncurrent water/sewer assets & debt				9,075,582	18,507,092
Encumbrances	391,110	12,581,096	89,374	64,712	622,736
Restricted Cash	,	•	,	1,898,338	390,907
RDA properties held for resale		71,049			
Loans and Notes Receivable		2,200,636	18,014,625		
Total Reserved Fund Equity	391,110	14,852,781	18,103,999	11,038,632	19,520,735
Designated Fund Equity ⁵	7,300,000				
Unreserved/Undesignated Fund Equity	2,592,088	(5,582,908)	2,737,206	3,696,944	3,133,420
Total Fund Equity	10,283,198	9,269,873	20,841,205	14,735,576	22,654,155
Total Liabilities and Fund Equity	11,559,640	10,433,887	27,140,814	37,719,141	27,867,128

General Fund

¹ Restricted for Petty Cash use, Bond Reserve requirements and sewer and water capital expansion.

² Includes Housing Rehab loans, Financing Agreements for Public Works Fees and loans for several housing and Agency projects.

³ Includes Water and Sewer infrastructure, the City's share of the Wastewater treatment plant and RDA properties held for resale.

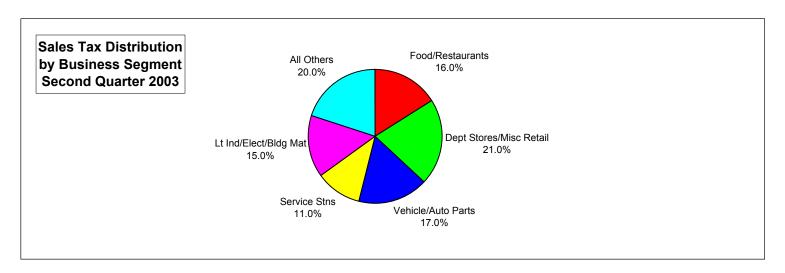
⁴ Includes the deferred payment portion of the loans noted above.

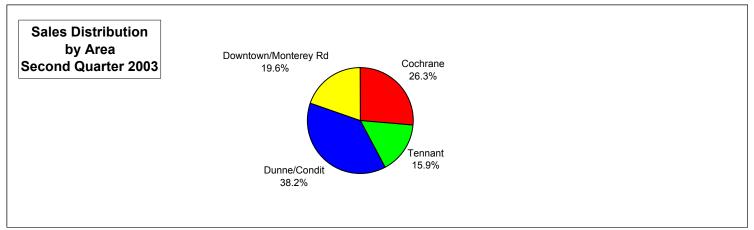
⁵ Designated for economic uncertainty, emergencies, and Fire Master Plan implementation



City of Morgan Hill Sales Tax Comparison - Fiscal Year 2003/04 For the Month of October 2003 33% of Year Complete

	Amount Collecte	d for Month fo	or Fiscal Year	Amount Colle	cted YTD for	Fiscal Year	Comparison of YT	D for fiscal years
Month	03/04	02/03	01/02	03/04	02/03	01/02	03/04 to 02/03	03/04 to 01/02
		•			•			
July	\$338,300	\$367,600	\$377,700	\$338,300	\$367,600	\$377,700	(29,300)	(39,400)
August	\$451,000	\$447,000	\$503,600	\$789,300	\$814,600	\$881,300	(25,300)	(92,000)
September	\$232,994	\$361,932	\$437,056	\$1,022,294	\$1,176,532	\$1,318,356	(154,238)	(296,062)
October	\$316,100	\$354,915	\$339,000	\$1,338,394	\$1,531,447	\$1,657,356	(193,053)	(318,962)
November		\$474,800	\$452,000		\$2,006,247	\$2,109,356		
December		\$384,154	\$538,465		\$2,390,401	\$2,647,821		
January		\$368,600	\$393,900		\$2,759,001	\$3,041,721		
February		\$487,195	\$466,068		\$3,246,196	\$3,507,789		
March		\$225,908	\$351,548		\$3,472,104	\$3,859,337		
April		\$292,698	\$341,042		\$3,764,802	\$4,200,379		
May		\$394,500	\$461,500		\$4,159,302	\$4,661,879		
June		\$477,624	\$208,416		\$4,636,926	\$4,870,295		
Year To Da	ate Totals			\$1,338,394	\$4,636,926	\$4,870,295		
Sales Tax F	Budget for Year			\$4,650,000	\$5,330,000	\$5,300,000		
Percent of Percent of	Budget increase(decreas	e)		29%	87%	92%	-13%	-19%







CITY COUNCIL STAFF REPORT MEETING DATE: November 19, 2003

Prepared By:	Prepared By:	
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Agenda Item # 3

Manager, Recreation & Community Services

Submitted By:

City Manager

RECWARE RECREATION SOFTWARE CONTRACT

RECOMMENDED ACTION(S):

Authorize the City Manager to enter into a contract with RecWare Recreation Software in the amount not to exceed \$25,000 upon City Attorney approval of the contract terms.

EXECUTIVE SUMMARY:

The Recreation and Community Services Division is responsible for the development of recreation and leisure classes offered at the Community and Cultural Center (CCC) and at off-site locations. To facilitate registrations the division had enlisted the services of a web-based recreation registration known as Reclink. This service proved adequate during the initial growth time of the recreation division and provided an important customer service function by allowing customers web-based registration access. Unfortunately, the company was brought out by a competitor and the service was no longer available to use as of August 15, 2003. The Recreation Staff has developed a manual registration processing and tracking system to temporarily replace the discontinued online registration system. Staff has noted a decrease in the number of participants who have pre-registered for classes to be held during the Fall session. The impact will grow with each growth of classes and the Winter-Spring Activity Guide available in December featuring over 350 different class sections.

Staff embarked on a new request for proposals including a review team consisting of representatives from Administration, Finance, and Recreation. Melissa Dile, Chu Thai, Margarita Balagso and Julie Spier worked through a process to determine the most compatible and efficient system that would grow with our needs at the CCC as well as the Aquatic Complex. Factors considered were class registration capabilities, information tracking, facility reservations, assessable accounting data, room scheduling, and ability to integrate with other sites. Please refer to the attached memo dated July 24, 2003. The decision was to select RecWare as our new recreation software vendor. Please refer to Exhibit A. RecWare will also provide staff with facility reservation capabilities.

The City Attorney has been working on the contract provisions and is anticipated to have the contract completed by the end of the week. Once the contract is completed, there will be installation, training and information input time involved requiring approximately three to four weeks.

FISCAL IMPACT:

The purchase price of the RecWare Contract will be absorbed in resulting staff savings from the unfilled position of Recreation Supervisor-Events.



CITY COUNCIL STAFF REPORT

MEETING DATE: November 19, 2003

CONSIDERATION OF GENERAL PLAN AMENDMENTS IN DECEMBER

RECOMMENDED ACTION(S): Schedule General Plan Amendment Hearing for December 17, 2003.

EXECUTIVE SUMMARY:

City Council policy states that the Council will consider General Plan amendments twice a year during the months of April and October. In addition to these two set months, the Council policy also allows for a third floating date to be used upon initiative by the Planning Commission or City Council.

Prepared By: Senior Planner Approved By:		Agen	da Item # 4
	Approved By:	Prepa	ared By:
Annroved By:		Senio	r Planner
approved by.	D:	Appr	oved By:

City Manager

Submitted By:

For the year 2003, the Council has considered amendments for the month of April only. The October and the floating date have not been utilized for the year 2003. Two General Plan amendment applications have recently been filed which would benefit from Council consideration of General Plan amendment requests in December.

The first application request is from the Morgan Hill Unified School District for the annexation of Sobrato High School. In order to annex the new high school, the current Rural County land use designation will need to be changed to Public Facility. The Morgan Hill Unified School District would like to have the annexation completed prior to the school's opening in August 2004. If the General Plan amendment is considered by Council in December, along with Urban Growth and Urban Service Area boundary adjustments, staff could submit the Urban Service Area application to LAFCO by the end of 2003. The December submittal to LAFCO would be considered the City's 2003 Urban Service Area application and would preserve the City's 2004 LAFCO application opportunity. An earlier submittal to LAFCO would also allow for the Sobrato High School annexation request to be heard by LAFCO in February or April, which will allow for the annexation process to be completed prior to the opening of the school in August 2004.

The second application request is from South County Housing which is in the process of purchasing a project on the northeast corner of the intersection of Central and McLaughlin. The project building allocations will expire in December 2003. In order to extend those allocations, South County Housing has committed to having an RPD plan, subdivision and development agreement approved by the Planning Commission and Council prior to expiration of the allocations. A previous project developer sought an R-3 designation on a very small portion (.30 acres) of the project site. The RPD plan that South County Housing would like to pursue does not fit the R-3 density designation on the .30 acre R-3 portion of the site. Rather than seeking approval of an RPD plan contingent upon a future General Plan amendment, it would be more efficient to consider the General Plan amendment and the proposed precise development plan all at one time.

At this time, the Council is being asked to use its floating date and schedule General Plan amendment requests for December 17, 2003.

FISCAL IMPACT: No budget adjustment required



CITY COUNCIL STAFF REPORT MEETING DATE: November 19, 2003

ACCEPTENCE OF EDMUNDSON RESERVOIR PROJECT

Approved By: Public Works Director Submitted By:

City Manager

Contract Project Mgr

Agenda Item # 5
Prepared By:

RECOMMENDED ACTION(S):

- 1. Accept as complete the Edmundson Reservoir Project in the final amount of \$1,417,657.26
- 2. Direct the City Clerk to file the attached Notice of Completion with the County Recorder's office.

EXECUTIVE SUMMARY:

The contract for the Edmundson Reservoir Project was awarded to CB & I Water by the City Council at their June 26, 2002 meeting in the amount of \$1,338,168. The Council also allocated a twenty percent contingency of \$267,600, for a total of \$1,605,768. The scope of the work included the construction of the four million gallon reservoir and the appurtenant water and storm drainage pipelines. During construction, 15 change orders totaling \$79,493 were approved for unforeseen conditions and for project upgrades. The final construction cost totaled \$1,417,657.26

The work has been completed in accordance with the plans and specifications.

FISCAL IMPACT:

The funding for this project was a combination of Water Impact and Water Capital project funds, (CIP #602A96).

Record at the request of and when recorded mail to:

CITY OF MORGAN HILL CITY CLERK 17555 Peak Avenue Morgan Hill, CA 95037

RECORD AT NO FEE PURSUANT TO GOVERNMENT CODE SECTION 27383

NOTICE OF COMPLETION CITY OF MORGAN HILL

EDMUNDSON RESERVOIR PROJECT

NOTICE IS HEREBY GIVEN, pursuant to Section 3093 of the Civil Code of the State of California, that the Director of Public Works of the City of Morgan Hill, California, on June 12, 2002, did file with the City Clerk of said City, the contract for performing work which was heretofore awarded to CB & I Water., on June 26, 2002, in accordance with the plans and specifications for said work filed with the City Clerk and approved by the City Council of said City.

That said improvements were substantially completed on June 30, 2003, accepted by the City Council on November 19, 2003, and that the name of the surety on the contractor's bond for labor and materials on said project is the St Paul Surety.

That said improvements consisted of the construction and installation of all items of work provided to be done in said contract, all as more particularly described in the plans and specifications therefor approved by the City Council of said City.

Name and address of Owner:	City of Morgan Hill 17555 Peak Avenue Morgan Hill, California
Dated:, 7	2003.
L certify under	Jim Ashcraft, Director of Public Works penalty of perjury that the foregoing is true and correct.
rectury under	penanty of perjury that the foregoing is true and correct.

Irma Torrez, City Clerk City of Morgan Hill, CA Date:



CITY COUNCIL STAFF REPORT

MEETING DATE: November 19, 2003

AQUATICS CENTER PROJECT – OCTOBER CONSTRUCTION PROGRESS REPORT

RECOMMENDED ACTION(S): *Information Only*

EXECUTIVE SUMMARY:

Previous Council action awarded the contract for construction of the Aquatics Center Project to Gonsalves & Stronck Construction Company, Inc. At that time, staff informed Council that we would report monthly on the progress of the construction. Attached is the progress report for the month of October. This

Agenda Item # 6

Prepared By:

Project Manager

Approved By:

Public Works Director

Submitted By:

City Manager

report has been sent to our webmaster for posting on the City's website. The critical path activity, pool construction, is currently on schedule. The contractors have resequenced some work activities and have been working additional hours, including Saturdays, in order to bring the buildings construction back on schedule. Their efforts have resulted in the Pool Building construction coming back onto the recovery schedule. Currently, the Mechanical Building construction delay has been reduced to approximately a week behind schedule. Barring unforeseen circumstances, including excessive rain days, construction completion is scheduled for May 24th, 2004. The project is currently within budget.

FISCAL IMPACT: None



CITY COUNCIL STAFF REPORT

MEETING DATE: November 19, 2003

REIMBURSEMENT FOR UNDERGROUNDING OF OVERHEAD UTILITIES BY COYOTE CREEK ESTATES (TRACT 9396)

RECOMMENDED ACTION: Authorize reimbursement of \$71,769 for undergrounding of overhead utilities by 5M Development LLC

Agenda Item # /
Prepared By:
Senior Civil Engineer
Approved By:
Public Works Director
Submitted By:
City Manager

EXECUTIVE SUMMARY: 5M Development LLC is the developer of Coyote Creek Estates, a 15 lot subdivision located on the west side of Malaguerra Avenue between Silverwings Court and Sullivan Court (see attached location map). As part of the project, the developer was required to underground the overhead utilities across the project frontage. An additional 230 lineal feet of overhead utility lines south of the project boundary will be undergrounded as part of this work. This work will be done to eliminate the final section of overhead utilities along Malaguerra Avenue. The developer is requesting reimbursement for the undergrounding work that will be done across the adjacent parcel. The cost for the undergrounding work beyond the responsibility of the developer is \$71,769 and will be funded from our Underground Utility fund (350).

Staff recommends that the City approve the developer's reimbursement request since this work is outside of the subdivision boundaries.

FISCAL IMPACT: The total cost of \$71,769 will be funded by the FY2003/04 Capital Improvement Program (CIP) budget Project Number 529001 (350-46360-8057). No additional funding is required.



CITY COUNCIL STAFF REPORT MEETING DATE: November 19, 2003

RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDCS) 2003 QUARTERLY REPORT #3

RECOMMENDED ACTION(S):

Accept and File the RDCS Third Quarter Report for 2003

EXECUTIVE SUMMARY:

In accordance with Section 18.78.150 of the Municipal Code, the Community Development Department is required to review, on a quarterly basis, each proposed development which has received a Residential Development Control System (RDCS) allotment. The purpose of this review is to determine whether satisfactory progress is being made with processing of the appropriate plans with the Community Development Department.

The majority of the residential projects are proceeding according to approved development schedules. The following projects are classified as BEHIND SCHEDULE: Malaguerra-Ansuini (MP-99-26), Church-South County (MP-00-31), Hale-Garcia (MP-01-04), Shafer-Bamdad (MP-01-07); Tilton-Glenrock/Shea (MP-02-03), Peet-Lupine Investors (MP-02-12), Mission View-Mission Ranch (MP-02-15), E. Central-Warmington (MP-02-19), Barrett-Ditri (MP-02-20), Christeph-Kosich (MP-99-04), Berkshire-Singh (MP-00-01), DeWitt-Marquez (MMP-02-02), and Native Dancer-Quail Meadows (MMP-03-01). The applicants for all of the above projects have been notified they are behind schedule by certified mail. All applicants have responded. Information on the progress of each of the BEHIND SCHEDULE projects is contained in a supplemental report attached for Council's reference.

During the first quarter monitoring period, RDCS/Measure "P" projects have secured 60 additional building permits and completed construction of 107 homes.

As of this quarterly report, the projected population for the City of Morgan Hill, based on all dwelling units allocated to date, will be 37,589.

By a vote of 6-0 (Commissioner Engles absent), the Commission approved the Quarterly Report by minute action and recommended the same by the Council. A copy of the 3rd Quarterly Report for 2003 and the draft minutes of the October 28, 2003 Planning Commission meeting are attached for the Council's reference.

FISCAL IMPACT:

Preparation of this report was accomplished with monies from the Community Development Fund.

Prepared By: Planning Technician Approved By:
Approved By:
Community Development Director

City Manager

SUPPLEMENTAL REPORT TO CITY COUNCIL 3RD QUARETER RDCS REPORT ON BEHIND SCHEDULE PROJECTS NOVEMBER 7, 2003

Malaguerra-Ansuini (MP-99-26) This project was scheduled to pull 6 building permits on October 1, 2003. The applicant has filed a Development Approval Amendment to amend the Development Schedule. The DAA is scheduled to go before City Council on December 17, 2003.

<u>Church-South County Housing</u> (MP-00-31) This project was scheduled to pull building permits on September 30, 2003. All building permits were pulled on October 23, 2003 and the project is now on schedule.

<u>Hale-Garcia</u> (MP-01-04) This project was scheduled to pull building permits by May 1, 2003. The project has until June 30, 2004 to commence construction. This project was affected by increased insurance rates associated with attached housing units. The applicant has been working diligently to revise building plans to bring to the Architectural Review Board Subcommittee for approval and will pull plans once the Subcommittee has approved the architectural changes.

<u>Shaffer-Bamdad</u> (MP-01-07) This project was scheduled to submit plans for building plan check by September 30, 2003. The applicant has filed a Development Approval Amendment to amend the development schedule. The DAA is scheduled to go before City Council on December 17, 2003.

<u>Tilton-Glenrock/Shea</u> (MP-02-03) This project was scheduled to submit Zoning Amendment, Subdivision, Development Agreement and Site Review applications by September 30, 2003. The applicant is currently having plans revised and will be submitting the above applications by December 1, 2003.

<u>Peet-Lupine Investors</u> (MP-02-12) This project was scheduled to submit a Site Review application by September 30, 2003. All other applications have been submitted and the Site Review application date will be amended in the Development Agreement. The Development Agreement is scheduled to go to City Council on January 14, 2003.

<u>Mission View-Mission Ranch</u> (MP-02-15) This project was scheduled to submit Subdivision and Development Agreement applications by September 30, 2003. The applicant submitted Subdivision and Development Agreement applications on November 12, 2003 and is now on schedule.

<u>E. Central-Warmington</u> (MP-02-19) This project was scheduled to submit Subdivision and Development Agreement applications by September 30, 2003. The applicant is in the process of preparing plans and has indicated that the application package will be submitted by November 21, 2003.

Supplemental Report to City Council 3rd Quarter RDCS Report on Behind Schedule Projects Page 2

<u>Barrett-Ditri</u> (MP-02-20) This project was scheduled to submit a Site Review application by September 30, 2003. All other applications have been submitted and the Site Review application date will be amended in the Development Agreement. The Development Agreement is scheduled to go to City Council on December 17, 2003.

<u>Christeph-Kosich</u> (MMP-99-04) This project was scheduled submit for a building permits by September 30, 2003. The applicant submitted for a building permit on October 27, 2003 and is now on schedule.

<u>Berkshire-Singh</u> (MMP-01-01) This project was scheduled to pull building permits by September 30, 2003. The applicant has filed a Development Approval Amendment to amend the Development Schedule. The Development Agreement Amendment is scheduled to go to City Council on December 17, 2003.

<u>DeWitt-Marquez</u> (MMP-02-02) This project was scheduled to submit for Final Map by September 1, 2003. This project has a Development Agreement Amendment in process to amend this date and is scheduled to go to City Council on December 3, 2003. The Final Map submittal date will be amended to December 1, 2003.

<u>Native Dancer-Quail Meadows</u> (MMP-03-01) This project was scheduled to submit a Site Review application by September 30, 2003. All other applications have been submitted and the Site Review application filing date will be amended in the Development Agreement. The Development Agreement is scheduled to go to City Council on January 14, 2003.

MEASURE "P" PROJECTS - FISCAL YEAR 1994-95 ALLOTMENT

PROJECT & FILE #	ALLOCATION	# OF	# OF BLD	# OF	MOST RECENT	NEXT STEP/DEADLINE
	DATE	UNITS	PERMITS	UNITS	ACTION/ENTITLEMENT	
			PULLED	FINALED	& DATE	
Villanova 1 (MP-93-08) San Pedro – Barton)	03/24/92	6	0	0	2Q/03-Planning Commission reserved 6 allotments for FY 2004/05	3/1/04: Apply for "partially completed" allotments for 2004/05
TOTALS		6	0	0		

MEASURE "P" PROJECTS - FISCAL YEAR 1996-97 ALLOTMENT

PROJECT & FILE #	ALLOCATION	# OF	# OF BLD	# OF UNITS	MOST RECENT	NEXT STEP/DEADLINE
	DATE	UNITS	PERMITS PULLED	FINALED	ACTION/ENTITLEMENT & DATE	
Sandalwood 1 (MP-94-07)	01/24/95	1	0	0	2/Q/03-Planning Commission reserved 1 allotment for FY 2004/05	3/1/04: Apply for "partially completed" allotment for 2003/04
TOTALS		1	0	0		

MEASURE "P" PROJECTS - FISCAL YEAR 1999-2000 ALLOTMENT

PROJECT & FILE #	ALLOCATION	# OF	# OF BLD	# OF UNITS	MOST RECENT	NEXT STEP/DEADLINE
	DATE	UNITS	PERMITS PULLED	FINALED	ACTION/ENTITLEMENT & DATE	
Coyote Ranch 4 (MP-96-24) (MP-97-25)	02/11/97	1	1	0	3Q/03-Pulled 1 permit	Complete construction
Del Monte Estates (MP-97-17)	02/24/98	7	7	0	Spring '01–Pulled 7 permits	Complete construction
Spring Manor (MP-97-22)	02/24/98	6	6	5	3Q/03-Finaled 1 unit	Complete construction
TOTALS		14	14	5		

MEASURE "P" PROJECTS - FISCAL YEAR 2000-2001 ALLOTMENT

PROJECT & FILE #	ALLOCATION DATE	# OF UNITS	# OF BLD PERMITS PULLED	# OF UNITS FINALED	MOST RECENT ACTION ENTITLEMENT & DATE	NEXT STEP/DEADLINE
Del Monte Estates (MP-97-16)	02/24/98	6	6	0	Spring '01–Pulled 6 permits	Complete construction
Spring Manor (MP-97-22) & (MP-98-17)	02/24/98 & 02/23/99	10	10	8	3Q/03–Finaled 2 units	Complete construction
E. Dunne – O'Connell (MP-98-24)	02/23/99	10	10	8	1Q/03–Finaled 1 unit	Complete construction
E. Dunne – First Community Housing (MP-98-35)	04/27/99	24	24	24	3Q/03–Finaled 24 units	PROJECT COMPLETE
TOTALS		50	50	40		

MEASURE "P" PROJECTS – FISCAL YEAR 2001-2002 ALLOTMENT

PROJECT & FILE #	ALLOCATION DATE	# OF UNITS	# OF BLD PERMITS PULLED	# OF UNITS FINALED	MOST RECENT ACTION/ENTITLEMENT & DATE	NEXT STEP/DEADLINE
Spring Manor (MP-98-17)	02/23/99	5	3	0	Summer '02-Pulled 1 permit	06/30/04: Pull remaining 2 custom permits
E. Dunne-O'Connell (MP-98-24)	02/23/99	5	5	0	2Q/03–Pulled 4 permits	Complete construction
Hale – Garcia (MP-98-32) & (MP-99-12)	02/23/99 & 03/14/00	37	37	30	2Q/03–Finaled 15 units	Complete construction
E. Dunne – First Community Housing (MP-98-35)	04/27/99	38	38	38	3Q/03–Finaled 38 units	PROJECT COMPLETE
E. Dunne–Trovare (MP-99-16)	03/14/00	19	19	17	2Q/03–Finaled 6 units	Complete construction
Cochrane – Coyote Estates (MP-00-22)	03/14/00	5	5	2	3Q/03-Finaled 2 units	Complete construction
Llagas – Delco (MP-99-24)	03-14-00	15	15	1	3Q/03-Pulled 3 permits, finaled 1 unit	Complete construction
Malaguerra–Ansuini (MP-99-26)	03-14-00	7	7	0	2Q/03- Commenced const. on 3 units	Complete construction
Hale – Dividend (MP-99-31)	03/14/00	7	7	0	2Q/03-pulled 7 permits	9/30/03: Commence construction
TOTALS		138	136	88		

MEASURE "P" PROJECTS – FISCAL YEAR 2002-2003 ALLOTMENT

-*PROJECT & FILE #	ALLOCATION DATE	# OF UNITS	# OF BLD PERMITS PULLED	# OF UNITS FINALED	MOST RECENT ACTION/ENTITLEMENT & DATE	NEXT STEP/DEADLINE
Hale - Garcia (MP-99-12)	03/14/00	15	15	7	2Q/03-Pulled 8 permits and finaled 5 units	Complete construction
E. Dunne –Trovare (MP-99-16) & (MP-00-29)	03/14/00 & 02/27/01	20	20	3	3Q/03-Finaled 3 units	Complete construction
Llagas/Hale – Dividend (MP-99-24) & (MP-00-10)	03/14/00 & 02/27/01	24	7	0	3Q/03-Final map recorded, pulled 7 permits	12/01/03: Pull 2 building permits
Malaguerra – Ansuini (MP-99-26)	03/14/00	6	0	0	1Q/03-ELBA granted, Final Map recorded	BEHIND SCHEDULE 10/01/03: Pull building permits
Hale – Dividend (MP-99-31)	03/14/00	6	6	0	3Q/03-Pulled 6 permits	Complete construction
Central - Warmington (MP-00-12)	02/27/01	24	24	22	3Q/03-Finaled 14 units	Complete construction
Central – Central Park (MP-00-18)	02/27/01	10	10	10	3Q/03-Finaled 6 units	PROJECT COMPLETE
Sunnyside – Sunny Oaks (MP-00-19)	02/27/01	12	12	2	3Q/03-Finaled 2 units	Complete construction
Cochrane – Mission Ranch (MP-00-21)	02/27/01	15	15	0	2Q/03-Pulled 15 permits	Complete construction
Cochrane – Coyote Estates (MP-00-22)	02/27/01	11	10	0	1Q/03-Pulled 10 permits	06/30/05: Pull remaining custom building permit; Complete construction
Church – South County Housing (MP-00-31)	09/25/01	36	0	0	2Q/03-ELBA granted	BEHIND SCHEDULE 09/30/03: Pull building permits
TOTALS	_	179	119	44		

MEASURE "P" PROJECTS – FISCAL YEAR 2003-2004 ALLOTMENT

PROJECT & FILE #	ALLOCATION	# OF	# OF BLD	# OF UNITS	MOST RECENT	NEXT STEP/DEADLINE
	DATE	UNITS	PERMITS PULLED	FINALED	ACTION/ENTITLEMENT & DATE	
Hale – Dividend (MP-00-10)	02/27/01	7	0	0	2Q/03-Final map recorded	04/01/04: Pull building permits
Hale – Dividend (MP-01-05)	05/14/02	14	0	0	4Q/02- ZA, DA, SD complete, Final Map recorded	04/01/04: Pull building permits
Central – Warmington (MP-00-12)	02/27/01	15	10	0	3Q/03-Pulled 10 permits	04/15/04: Pull 5 building permits
Central – Warmington (MP-01-09)	05/14/02	8	0	0	4Q/02-SD, DA, EA approved, Final Map recorded	03/31/04: Pull building permits
Central – Central Park (MP-00-18)	02/27/01	5	5	1	3Q/03-Finaled 1 unit	Complete construction
Central – Central Park (MP-01-10)	05/14/02	8	8	0	3Q/03-Pulled 8 permits	Complete construction
Sunnyside – Sunny Oaks (MP-01-11)	02/27/01	12	0	0	4Q/02-Final Map recorded	03/31/04: Pull building permits
Sunnyside – Sunny Oaks (MP-00-19)	05/14/02	6	0	0	4Q/02-Final Map recorded, Planning approval complete	05/08/04: Pull building permits
Cochrane – Mission Ranch (MP-00-21)	02/27/01	9	9	0	2Q/03-Final Map recorded	Complete construction
Cochrane – Mission Ranch (MP-01-03)	05/14/02	4	4	0	2Q/03-Final Map recorded	Complete construction
E. Dunne–Trovare (MP-00-29)	02/27/01	13	13	0	3Q/03-Pulled 7 permits	Complete construction
Church – South County Housing (MP-00-31)	09/25/01	13	0	0	Fall '02–SR and ZA approved	04/01/04: Pull building permits
Hale – Garcia –(MP-01-04)	05/14/02	11	0	0	4Q/02-Final Map recorded	BEHIND SCHEDULE 05/01/03: Pull building permits
Cochrane –Coyote (MP-01-02)	05/14/02	6	6	0	2Q/03–Pulled 6 permits	Complete construction
Schafer-Bamdad (MP-01-07)	05/14/02	7	0	0	2Q/03-Final Map and SR in process	BEHIND SCHEDULE 9/30/03: Submit plans for building plan check;
E. Dunne – First Community Housing (MP-01-12)	5/14/02	18	0	0	4Q/02-DA approved	03/31/04: Pull building permits
TOTALS		156	55	1		

MEASURE "P" PROJECTS – FISCAL YEAR 2004-05 ALLOTMENT

PROJECT & FILE #	ALLOCATION DATE	# OF UNITS	# OF BLD PERMITS PULLED	# OF UNITS FINALED	MOST RECENT ACTION/ENTITLEMENT & DATE	NEXT STEP/DEADLINE
Schafer-Bamdad (MP-01-07)	05/14/02	8	0	0	3Q/03-Final map & SR in process	BEHIND SCHEDULE 9/30/03: Submit plans for building plan check
E. Dunne – First Community Housing (MP-01-12)	05/14/02	20	0	0	2Q/03-DA approved	04/01/05: Pull building permits
Tilton-Glenrock/Shea (MP-02-03)	5/27/03	29	0	0	2Q/03-Received allocations	BEHIND SCHEDULE 9/30/03-Submit ZA, SD, DA & SR
Cory-San Pedro Ptnrs. (MP-02-07)	5/27/03	9	0	0	3Q/03-SD, DA, ZA,SR & EA in process	1/28/04:-Final map submittal due
Peet-Lupine Investors (MP-02-12)	5/27/03	11	0	0	3Q/03-SD, DA, ZA in process	BEHIND SCHEDULE 9/30/03-Submit SR
Cochrane-Coyote Est. (MP-02-14)	5/27/03	9	0	0	3Q/03- SD & DA in process	01/28/04: Final map submittal due
Mission View-Mission Ranch (MP-02-15)	5/27/03	11	0	0	2Q/03-Received allocations	BEHIND SCHEDULE 9/30/03-Submit ZA, SD, DA & SR
E. Central-Warmington (MP-02-19)	5/27/03	24	0	0	2Q/03-Received allocations	BEHIND SCHEDULE 9/30/03-Submit ZA, SD, DA & SR
Sunnyside-Quail Creek (MP-02-24)	5/27/03	14	0	0	3Q/03-SD approved	1/28/04-Final map submittal due
E. Central-Central Park (MP-02-25)	5/27/03	17	0	0	3Q/03-SD in process	1/28/04-Final map submittal due
Barrett-Ditri (MP-02-20)	5/27/03	6	0	0	3Q/03-SD, ZA, DA, EA in process	BEHIND SCHEDULE 9/30/03-Submit SR
Watsonville-South County Housing (MP-02-26)	4/22/03	12	0	0	3Q/03-SD, SR, EA, DA in process	1/28/04-Final map submittal due
TOTALS		170	0	0		

MEASURE "P" PROJECTS - FISCAL YEAR 2005-06 ALLOTMENT

PROJECT & FILE #	ALLOCATION DATE	# OF UNITS	# OF BLD PERMITS PULLED	# OF UNITS FINALED	MOST RECENT ACTION/ENTITLEMENT & DATE	NEXT STEP/DEADLINE
Tilton-Glenrock/Shea (MP-02-03)	5/27/03	30	0	0	2Q/03-Received allocations	BEHIND SCHEDULE 9/30/03-Submit ZA, SD, DA & SR
Cory-San Pedro Ptnrs. (MP-02-07)	5/27/03	7	0	0	3Q/03-SD, DA, ZA,SR & EA in process	1/28/04:-Final map submittal due
Peet-Lupine Investors (MP-02-12)	5/27/03	15	0	0	3Q/03-SD, DA, ZA in process	BEHIND SCHEDULE 9/30/03-Submit SR
Cochrane-Coyote Est. (MP-02-14)	5/27/03	8	0	0	3Q/03- SD & DA in process	01/28/04: Final map submittal due
Mission View-Mission Ranch (MP-02-15)	5/27/03	15	0	0	2Q/03-Received allocations	BEHIND SCHEDULE 9/30/03-Submit ZA, SD, DA & SR
E. Central-Warmington (MP-02-19)	5/27/03	12	0	0	2Q/03-Received allocations	BEHIND SCHEDULE 9/30/03-Submit ZA, SD, DA & SR
Sunnyside-Quail Creek (MP-02-24)	5/27/03	8	0	0	3Q/03-SD approved	1/28/04-Final map submittal due
E. Central-Central Park (MP-02-25)	5/27/03	22	0	0	3Q/03-SD in process	1/28/04-Final map submittal due
Barrett-Ditri (MP-02-20)	5/27/03	9	0	0	3Q/03-SD, ZA, DA, EA in process	BEHIND SCHEDULE 9/30/03-Submit SR
TOTALS		126	0	0		

MEASURE "P" PROJECTS – FISCAL YEAR 2006-07 ALLOTMENT

PROJECT & FILE #	5/27/03	# OF UNITS	# OF BLD PERMITS PULLED	# OF UNITS FINALED	MOST RECENT ACTION/ENTITLEMENT & DATE	NEXT STEP/DEADLINE
Tilton-Glenrock/Shea (MP-02-03)	5/27/03	20	0	0	2Q/03-Received allocations	BEHIND SCHEDULE 9/30/03-Submit ZA, SD, DA & SR
Cory-San Pedro Ptnrs. (MP-02-07)	5/27/03	8	0	0	3Q/03-SD, DA, ZA,SR & EA in process	1/28/04:-Final map submittal due
Peet-Lupine Investors (MP-02-12)	5/27/03	12	0	0	3Q/03-SD, DA, ZA in process	BEHIND SCHEDULE 9/30/03-Submit SR
Cochrane-Coyote Est. (MP-02-14)	5/27/03	8	0	0	3Q/03- SD & DA in process	01/28/04: Final map submittal due
Mission View-Mission Ranch (MP-02-15)	5/27/03	12	0	0	2Q/03-Received allocations	BEHIND SCHEDULE 9/30/03-Submit ZA, SD, DA & SR
TOTALS	_	60	0	0		

MICRO MEASURE "P" PROJECTS

FISCAL YEAR 1999-2000

PROJECT & FILE #	ALLOCATION DATE	# OF UNITS	# OF BLD PERMITS PULLED	# OF UNITS FINALED	MOST RECENT ACTION/ENTITLEMENT & DATE	NEXT STEP/DEADLINE
Christeph - Kosich (MP-99-04)	04/27/99	1	0	0	3Q/03, Final map in process	BEHIND SCHEDULE 9/30/2003: Submit for building permits
Berkshire – Singh (MP-00-01)	04/25/00	1	0	0	2Q/03-ELBA granted, final map and building permits in process	BEHIND SCHEDULE 9/30/03: Pull building permits
TOTALS		2	0	0		

FISCAL YEAR 2000-2001

PROJECT & FILE #	ALLOCATION DATE	# OF UNITS	# OF BLD PERMITS PULLED	# OF UNITS FINALED	MOST RECENT ACTION/ENTITLEMENT & DATE	NEXT STEP/DEADLINE
Berkshire – Singh (MP-00-01)	04/25/00	3	0	0	2Q/03-ELBA granted, final map and building permits in process	BEHIND SCHEDULE 9/30/03: Pull building permits
E. Dunne - Grewal (MP-00-02)	04/25/00	1	0	0	2Q/03-Final map in process, ELBA granted	02/15/04: Pull building permits
McLaughlin – Jones (MP-00-03)	04/25/00	1	0	0	2Q/03-SD, DA, ZA in process, ELBA granted	12/30/03: Pull building permits and commence construction
Nina Lane – Shaw (MP-00-05)	04/25/00	5	5	5	3Q/03-Finaled 3 units	PROJECT COMPLETE
TOTALS		10	5	5		

MICRO MEASURE "P" PROJECTS

FISCAL YEAR 2001-2002

PROJECT & FILE #	ALLOCATION	# OF	# OF BLD	# OF UNITS	MOST RECENT	NEXT STEP/DEADLINE
	DATE	UNITS	PERMITS	FINALED	ACTION/ENTITLEMENT	
			PULLED		& DATE	
E. Dunne –Grewal (MP-00-02)	4/25/00	3	0	0	2Q/03-Final map in process	02/15/04: Pull building permits
McLaughlin – Jones (MP-00-03)	4/25/00	4	0	0	2Q/03-SD, DA, ZA in	12/30/03: Pull building permits and
					process, ELBA granted	commence construction
TOTALS		7	0	0		

FISCAL YEAR 2003-2004

PROJECT & FILE #	ALLOCATION	# OF	# OF BLD	# OF UNITS	MOST RECENT	NEXT STEP/DEADLINE
	DATE	UNITS	PERMITS PULLED	FINALED	ACTION/ENTITLEMENT & DATE	
	0.5/4.4/0.5	_	1 CEEED			10/17/00 0 1 1 1 1 1 1 1 1
Nina Lane – Chen (MMP-02-01)	05/14/02	5	0	0	3Q/02- ZA, DA approved,	12/15/03-Submit plans for building
					SR in process	plan check
De Witt – Marquez (MMP-02-02)	05/14/02	2	0	0	2Q/03-SR,SD,EA, & SR in	BEHIND SCHEDULE
					process, DAA in process	09/01/03: Final Map submittal
TOTALS		7	0	0		

FISCAL YEAR 2004-2005

PROJECT & FILE #	ALLOCATION	# OF	# OF BLD	# OF UNITS	MOST RECENT	NEXT STEP/DEADLINE
	DATE	UNITS	PERMITS	FINALED	ACTION/ENTITLEMENT	
			PULLED		& DATE	
De Witt-Marquez (MMP-02-02)	05/14/02	2	0	0	2Q/03-SR,SD,EA, & SR in	BEHIND SCHEDULE
					process, DAA in process	09/01/03: Final Map submittal
Native Dancer-Quail Meadows	4/22/03	2	0	0	3Q/03-SD, DA in process	BEHIND SCHEDULE
(MMP-03-01)						9/30/03-Submit SR
De Witt-Marquez (MMP-03-02)	4/22/03	2	0	0	3Q/03-SD, DA, ZA, SR, &	01/28/04: Final map submittal due
					EA in process	
TOTALS		6	0	0		

FISCAL YEAR 2005-2006

PROJECT & FILE #	ALLOCATION	# OF	# OF BLD	# OF UNITS	MOST RECENT	NEXT STEP/DEADLINE
	DATE	UNITS	PERMITS	FINALED	ACTION/ENTITLEMENT	
			PULLED		& DATE	
Native Dancer-Quail Meadows	4/22/03	4	0	0	3Q/03-SD, DA in process	BEHIND SCHEDULE
(MMP-03-01)						9/30/03-Submit SR
De Witt-Marquez (MMP-03-02)	4/22/03	1	0	0	3Q/03-SD, DA, ZA, SR &	01/28/04: Final map submittal due
					EA in process	_
TOTALS		5	0	0		

GRAND TOTALS FOR ALL "P" PROJECTS	937	379	192	i
GRAND IOTALS FOR ALL F PROJECTS	931	319	183	Ì
(Pre 1990 through 2004-05)				Í
(11e 1990 through 2004-03)				i .

Note: For calendar year 2003 YTD (including non-RDCS projects), permits for 190 units were pulled, 10 permits for secondary units were pulled, 174 units were finaled, and 6 units were demolished.

PARTIALLY COMPLETED SETASIDE STATUS

Allotment Setaside	<u>Total #</u>	Allocated	Remaining
FY 2003-04	1	0	1
FY 2004-05	6	0	6
FY 2005-06	<u>0</u>	<u>0</u>	<u>0</u>
	7	0	7

AFFORDABLE SETASIDE STATUS

Allotment Setaside	<u>Total #</u>	Allocated	Remaining
ETT 2002 02	2.6		
FY 2002-03	36	36	0
FY 2003-04	31	31	0
FY 2004-05	32	32	0
FY-2005-06	<u>40</u>	<u>0</u>	<u>40</u>
	139	99	40

MICRO SETASIDE STATUS

Allotment Setaside	Total #	Allocated	Remaining
FY 2003-04	7	7	0
FY 2004-05	6	6	0
FY-2005-06	$\frac{9}{22}$	<u>5</u> 18	$\frac{4}{4}$



CITY COUNCIL STAFF REPORT MEETING DATE: NOVEMBER 19, 2003

BI-ANNUAL VACANCY RATE SURVEY

RECOMMENDED ACTION(S): Establish the bi-annual vacancy rate for October 2003 as recommended by the Planning Commission.

Agenda Item #9
Prepared By:
Municipal Services Assist.
Approved By:
BAHS Director
Submitted By:
City Manager

EXECUTIVE SUMMARY: According to the Morgan Hill Municipal Code, Chapter 17.36 relating to Condominium Conversions, the apartment vacancy rate shall be established in April and October of each year on the basis of a representative sampling of apartment buildings. The vacancy rate survey must be reported to both the Planning Commission and the City Council.

The most recent multi-family housing estimates from the State Department of Finance indicate a total of 1,754 multi-family units. Survey results account for over 50% of all such units; senior housing units are not included in the sampling but are included as supplemental information. Also, for general information purposes, included is a brief summary of current rent rates as compared to rent rates reported six months ago.

The survey has been completed and is attached. On October 28, 2003, the Planning Commission accepted the survey results which established the vacancy rate for October 2003 at 4%. It is recommended that the Council accept the Planning Commission's survey findings.

FISCAL IMPACT: The cost to perform the survey is included in the annual work plan of the Business Assistance and Housing Services Department.



CITY COUNCIL STAFF REPORT

MEETING DATE: NOVEMBER 19, 2003

LOCAL LAW ENFORCEMENT BLOCK GRANT 2003 **RECOMMENDED ACTION(S):**

1. Authorize the City Manager to accept the Local Law Enforcement Block Grant (LLEBG) in the amount of \$7,505.

2. Accept the spending plan as presented. 3. Appropriate \$834 in unallocated reserves as grant matching funds. **EXECUTIVE SUMMARY:**

Prepared By: Mgmt. Analyst Approved By: **Acting Chief of Police Submitted By:** City Manager

Agenda Item # 10

The City is eligible to receive \$9,926 under the Federal Local Law Enforcement Block Grant program. The City and Santa Clara County have been identified by the Bureau of Justice Assistance as disparate jurisdictions and were required to develop a revenue sharing plan. A joint spending plan was developed between the County and all of the cities whereby the County will receive 22.5% to be used in supporting two Investigators from the District Attorney's Office assigned full-time to the Sexual Assault Felony Enforcement (S.A.F.E.) Task Force. The remaining \$7,505 will be awarded to Morgan Hill to continue law enforcement programs as prescribed in the grant program. The program requires that the City provide matching funds in the amount of \$834. Grant funds must be spent within 24 months.

A Community Advisory Board was established to review and make nonbinding recommendations for the use of these funds. The Advisory Board consists of a Judge of the South County Consolidated Court, a Deputy District Attorney, the MHUSD Superintendent, a representative from Community Solutions and the Police Field Operations Lieutenant. The spending plan was reviewed and approved by the Advisory Board. Staff recommends approval of the spending plan and appropriation of funds as contained in Exhibit "A".

FISCAL IMPACT:

The LLEBG funds of \$7,505 and the City matching funds of \$834 should be deposited for expenditure in the LLEBG Fund (205). The total of \$8,339 is new revenue not previously budgeted.

2003 LLEBG PROPOSED SPENDING PLAN

Purpose: Support Law Enforcement by procuring equipment, technology, and other items directly

related to basic law enforcement functions.

Funding: Federal Direct Award Grant \$7,505

Local Match \$ 834 Total: \$8,339

Proposed Spending Plan

Ultrasonic Firearm Cleaning and Lubrication System will allow routine, thorough maintenance of Department issued weapons. We are currently establishing a Maintenance Procedure with an in-house armorer to ensure proper functioning weapons.

TOTAL \$5,276.68

The Autocite Ticket System is currently being used by a number of agencies. It allows the officer to input the information quickly. If the card (D.L.) has a magnetic read, Autocite will transfer the information from the drivers' license to the ticket, saving the officer valuable time. This information can be downloaded to the reporting system and provides valuable reports. The hardware for this system was purchased through the Abandoned Vehicle Abatement Service Authority (AVASA).

Parking Citations \$2,287.32 Annual Maintenance \$ 775.00 TOTAL \$3,062.32



CITY COUNCIL STAFF REPORT

MEETING DATE: November 19, 2003

SUBDIVISION AMENDMENT APPLICATION SDA 01-11: COCHRANE-MISSION VIEW

RECOMMENDED ACTION(S): Take no action, thereby concurring with the Planning Commission's decision regarding approval of the subdivision map.

EXECUTIVE SUMMARY: The City has received a request to amend the recorded tract maps for phases 5 & 6 of the Mission Ranch subdivision located on the southwest corner of the intersection of Peet Rd. and Cochrane Rd. The requested amendments include the shift in the center line of Peet Rd. 15.5 ft. to the north, a 5-10 ft. increase in the lot depth of lots 1-9 & 15, and a 5 ft. reduction in the lot width on lot 10.

Agenua Item # 11
Prepared By:
Senior Planner
Approved By:
Director of Community Development
Submitted By:
City Manager

In November 2002 and May of 2003, the final maps for phases 5 & 6 were recorded. In addition to the residential lots, a landscape/open space parcel ranging from 30 ft. to 52 ft. in width was created along the west side of Peet Rd. The maps also granted a 28 ft. wide dedication for Peet Rd. Within the 28ft. wide dedication area are overhead transmission lines which were to be moved as part of the Peet Rd. project improvements.

The applicant filed an application with PG & E in 2001 in anticipation of the street improvements needed for phases 5 & 6 of the subdivision. In June of 2003 PG & E notified the applicant that they would not be able to relocate the poles for at least another 2 years. In an effort to complete the subdivision improvements, the applicant has worked with the City's Public Works Department, PG & E and his street contractor to shift the Peet Rd. alignment 15.5 ft. to the east so the existing power poles will be within the landscape/open space area on the west side of Peet Rd. The 15.5 ft. easterly shift creates an additional 15.5 ft. of landscape area adjacent to the existing 30-50 ft. wide landscape/open space parcel. The applicant would like to incorporate the additional 15.5 ft. into the rear yards of lots 1-9 of phase 6 (Tract 2424) and lot 15 of phase 5 (Tract 2423).

The applicant is also asking to reduce the lot width of lot 10 by 5ft. The 5 ft. adjustment is needed to accommodate the detachment of homes within a future phase of the project. The width of lot 10 will be reduced to 71.58 ft., which is in excess of the 60 ft. required by the R-1 7,000 zoning. The home proposed on lot 10 will not be altered or moved. The side yard for the home on lot 10 will be in excess of 15 ft. wide which exceeds the 12.5 ft. minimum for 2 story homes.

The Commission unanimously approved the subdivision amendment request at the November11 Commission meeting. A copy of the Nov. 11 staff report is attached for the Council's reference.

FISCAL IMPACT: No budget adjustment required.



CITY COUNCIL STAFF REPORT MEETING DATE: November 19, 2003

RECOMMENDED ACTION(S):

Motion to schedule for public hearing on December 3, 2003.

SD 03-08: WATSONVILLE-SOUTH COUNTY HOUSING

EXECUTIVE SUMMARY:

The City has received a request for approval for the subdivision of a 1.00 acre site into 12 lots for a proposed single family attached project to be located on the northwest corner of the intersection of Watsonville Rd. and Calle Sueno.

Agenda Item # 12
Prepared By:
Senior Planner
Approved By:
Director of Community Development
Submitted By:

City Manager

The zoning amendment and development agreement for the 12 unit project are scheduled for Council consideration on December 3.

On October 23, 2003 the Commission voted 3-3 (no action) which did not result in approval of the proposed tentative map.

Section 17.20.110 of the Subdivision Ordinance provides for City Council review of subdivision maps which have been approved or denied by the Planning Commission. The Council can take no action on a subdivision, thereby concurring with the Planning Commission's decision or if the Council does not concur with the Planning Commission's action, they can request that the subdivision map be scheduled for public hearing before the City Council.

Staff recommends the City council take a definitive action on the subdivision application and therefore recommends that this item be advertised for public hearing and City Council consideration at the December 3, 2003 meeting.

The Planning Commission staff report and minutes are attached for the Council's reference.

FISCAL IMPACT: No budget adjustment required



CITY COUNCIL STAFF REPORT MEETING DATE: November 19, 2003

Agenda Item # 13

Prepared By:

Community
Development Director

Submitted By:

City Manager

TITLE: Urban Limit Line (Greenbelt) Study Status Report

RECOMMENDED ACTION: The City Council should review and comment on the status report; no Council action is recommended

EXECUTIVE SUMMARY: Council approval of the Urban Limit Line Study included a request that the Council receive periodic status reports. The first status report was reviewed on August 20, 2003. This status report is intended to update the Council on the status of the Study as well as provide an opportunity for Council members to discuss the Study's status.

The Urban Limit Line Study Advisory Committee has reached initial conclusions regarding the location of the Urban Limit Line (ULL) for most of the Sphere of Influence. Land outside the ULL would not be available for urban development. Some areas outside the ULL would be designated as Morgan Hill's Greenbelt. The one area where the Committee has yet to reach initial ULL and Greenbelt conclusions is the South Area (i.e. the area east of Highway 101, south of San Pedro and west of Carey Road). Attached is a map shows the tentative location of the ULL and Greenbelt.

The South Area has presented the Committee with its most difficult set of issues. Within the flat lands, there is no natural break that can be used to establish an ULL boundary. There are serious concerns about the feasibility of agricultural activities for this area. However, conversion of land with agricultural soils to non-rural uses triggers environmental mitigation issues.

At the October 27th Committee meeting, the Committee received substantial information from the consultants regarding implementation of a Greenbelt including preservation of agricultural lands. Discussion of implementation issues will be the focus of the Committee's November 24th meeting. The contract with the City's consultants provides for an overview of information related to implementation of an ULL and a Greenbelt. The contract does not provide for the type of in-depth Implementation Study that is needed before the City could establish a Greenbelt Preservation Program either including or separate from an Agricultural Lands Preservation Program. Decisions on the types of tools the City should use to preserve Greenbelt and/or Agricultural lands, as well as staffing and funding mechanisms, would have to be part of a future Implementation Study.

When the Committee reaches its' initial conclusions, a public meeting will be scheduled to provide for comments prior to the Committee adopting any recommendations. The initial conclusions will allow the consultant team to begin the analysis needed for an appropriate environmental review. Attached is a memo to the Committee with a tentative schedule that results in the Committee's public meeting in January and final Committee recommendations adopted in February.

It is anticipated that the next status report will be provided after the Committee's December 8th meeting, assuming that the Committee reaches initial conclusions regarding the South Area.

FISCAL IMPACT: Review of the status report does not have a fiscal impact.



REDEVELOPMENT AGENCY STAFF REPORT

MEETING DATE: November 19, 2003

OCTOBER 2003 FINANCE & INVESTMENT REPORT

Agenda Item #14	
Prepared By:	
Finance Director	
Submitted By:	
Executive director	

RECOMMENDED ACTION:

Accept and File Report

EXECUTIVE SUMMARY: Attached is the monthly Finance and Investment Report of the Redevelopment Agency of the City of Morgan Hill for the month of October 2003. The report covers activity for the first four months of the 2003/2004 fiscal year. A summary of the report is included on the first page for the Board's benefit.

The Redevelopment Agency monthly Finance and Investment Report is presented to the Agency Board and our Citizens as part of our ongoing commitment to improve and maintain public trust through communication of our finances, budget and investments. The report also serves to provide the information necessary to determine the adequacy/stability of financial projections and develop equitable resource/revenue allocation procedures.

This report covers all fiscal activity of the Redevelopment Agency.

FISCAL IMPACT: As presented.

REDEVELOPMENT AGENCY OF THE CITY OF MORGAN HILL

Monthly Financial and Investment Reports

October 31, 2003 - 33% Year Complete



Prepared by:

FINANCE DEPARTMENT



REDEVELOPMENT AGENCY OF THE CITY OF MORGAN HILL, CALIFORNIA

FINANCIAL STATEMENT ANALYSIS - FISCAL YEAR 2003/04 FOR THE MONTH OF OCTOBER 2003 - 33% OF YEAR COMPLETE

Revenues

Through October 31, the Redevelopment Agency received \$148,141 in property tax increment revenues. Most property tax increment revenues are received in December and April. The Redevelopment Agency, as of October 31, 2003, has collected \$100,000,000 in tax increment revenue under the original plan and has collected \$56,172,362, net of pass-through obligations to other agencies, toward the plan amendment cap of \$147,000,000. Since the \$100 million tax increment cap for the original plan was reached during 1999/2000, all tax increment revenues collected during 2003/2004 were collected under the plan amendment.

An amount of \$106,968 in interest earnings has been received through October. Additional interest earnings for October have not been included and will be posted with earnings for the quarter ending December in January. Other revenues represent charges for services and total \$31,310.

Expenditures

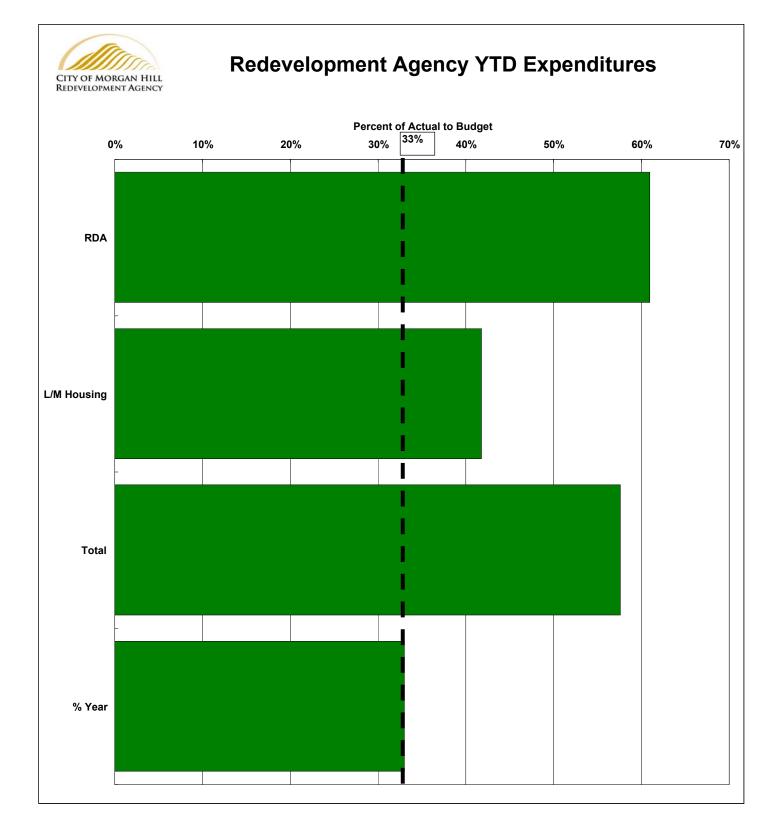
Total Redevelopment Agency Capital Projects expenditures and encumbrances equaled \$24,367,824 and were 61% of budget. Of this total, \$12,581,096 represented encumbrances for capital projects and other commitments. Expenditures for administrative costs for employee services, supplies, and contract services were 31% of budget. During July, the Agency made a \$2.55 million installment payment towards the purchase of the Sports Complex property. During July, the Agency also spent approximately \$3.5 million for the purchase of the Courthouse Facility property. Through October, the Agency has incurred \$3.3 million in acquisition and construction costs related to the Butterfield Blvd. Phase IV Project. All Capital Projects expenditures during 2003/04 have used monies collected under the plan amendment.

Budgeted expenditures plus encumbrances for Housing were at 42% of the budget for a total of \$3,568,963. During July, the Agency paid approximately \$3 million for the purchase of the Royal Court Apartments. Although certain loans and grants for various housing loan and grant programs have been committed, the related funds have not been drawn down by the recipients and, hence, are not reflected in the expenditures. All of the 2003/04 housing related expenditures have been funded with tax increment collected under the plan amendment.

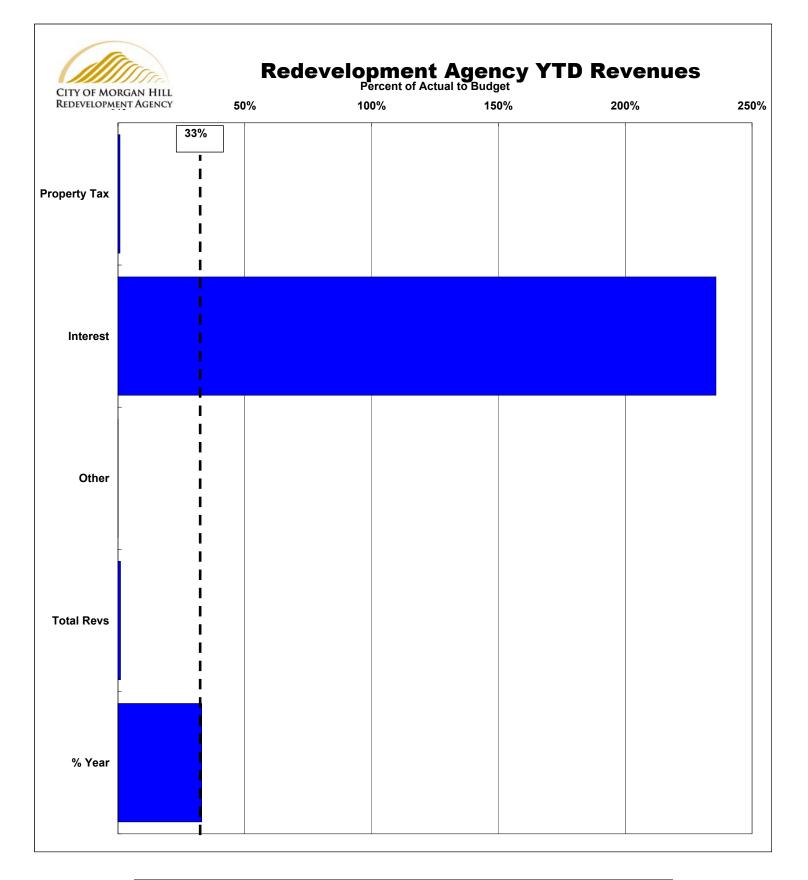
Fund Balance

The unreserved negative fund balance of (\$5,582,908) for the Capital Projects Fund at October 31, 2003, reflected the large amount of current contract encumbrances, not yet expended, and consisted entirely of monies collected under the plan amendment. The unreserved fund balance included future obligations to pay an additional \$3.6 million for the Courthouse Facility, an additional \$3,250,000 for purchase of the Gunderson property, and \$1.61 million for the Lomanto property should the Agency agree to execute its option to purchase in accordance with the agreement. If all these future commitments are subtracted from the (\$5,582,908), the remaining unreserved fund balance at October 31 would be a negative (\$14,042,908). However, these commitments are expected to be paid out over the next 2 to 3 years. Staff will bring a short-term borrowing plan to the Board in the near future to finance the 2003/04 cash flow needs, as provided for in the current 2003/04 budget. The Capital Projects Fund cash balance at October 31 was \$7,015,168.

The unreserved fund balance of \$2,737,205 for the Housing Fund at October 31 consisted of funds all collected under the plan amendment.



Expenditure Category	Budget	Actual Plus Encumbrances	% of Budget
CAPITAL PROJECTS	\$39,964,615	\$24,367,824	61%
HOUSING	8,538,767	3,568,963	42%
TOTALS	\$48,503,382	\$27,936,787	58%



			% OF	PRIOR YEAR	% CHANGE FROM
REVENUE CATEGORY	BUDGET	ACTUAL	BUDGET	TO DATE	PRIOR YEAR
PROPERTY TAXES	\$17,877,658	\$148,141	1%	\$367,933	-60%
INTEREST INCOME/RENTS	\$45,364	\$106,968	236%	\$181,841	-41%
OTHER REVENUE	\$23,536,663	\$21,310	0%	\$4,019	430%
TOTALS	\$27,373,112	\$276,419	1%	\$553,793	-50%



Redevelopment Agency Fund Balance Report - Fiscal Year 2003/04 For the Month of October 2003 33% of Year Complete

		Unaudited	Revenue	s	Expenditu	res	Year to-Date	Ending Fu	nd Balance	Cash and In	vestments
Fund		Fund Balance	YTD	% of	YTD	% of	Deficit or				
No.	Fund	06-30-03	Actual	Budget	Actual	Budget	Carryover	Reserved ¹	Unreserved	Unrestricted	Restricted
317	CAPITAL PROJECTS	\$20,860,548	196,053	1%	11,786,728	29%	(11,590,675)	14,852,781	(5,582,908)	7,015,168	
							(, , ,	, ,	(' ' /	, ,	
327/328	HOUSING	\$24,240,428	80,366	2%	3,479,589	41%	(3,399,223)	18,103,999	\$2,737,205	2,832,129	
		•									
TOTAL C	APITAL PROJECT FUNDS	<u>\$45,100,976</u>	276,419	<u>1%</u>	15,266,317	<u>31%</u>	(14,989,898)	32,956,780	(2,845,703)	9,847,297	
SUMMAR	RY BY FUND TYPE										
	CAPITAL PROJECTS GROUP	\$45,100,976	276,419	1%	15,266,317	31%	(14,989,898)	32,956,780	(2,845,703)	9,847,297	
	TOTAL ALL GROUPS	\$45,100,976	276,419	<u>1%</u>	15,266,317	<u>31%</u>	(14,989,898)	32,956,780	(2,845,703)	9,847,297	
	TOTAL CASH AND INVESTMENTS									9,847,297	

¹ Amount reserved for encumbrances, fixed asset replacement, long-term receivables



Redevelopment Agency Year to Date Revenues - Fiscal Year 2003/04 For the Month of October 2003 33% of Year Complete

FUND REVENUE SOURCE	ADOPTED BUDGET	AMENDED BUDGETED	CURRENT YTD ACTUAL	% OF BUDGET	PRIOR YTD	INCREASE (DECREASE) FROM PRIOR YTD	% CHANGE
CAPITAL PROJECTS FUNDS							
317 CAPITAL PROJECTS							
Property Taxes & Supplemental Roll Development Agreements	14,086,573	14,086,573	118,513	1% n/a	293,709	(175,196) -	-60% n/a
Interest Income, Rents Other Agencies/Current Charges	9,450,000	23,536,573	56,821 20,719	n/a <u>0%</u> _	136,411 3,549	(79,590) 17,170	-58% <u>484%</u>
TOTAL CAPITAL PROJECTS	23,536,573	23,536,573	196,053	<u>1%</u>	433,669	(237,616)	<u>-55%</u>
327/328 HOUSING							
Property Taxes & Supplemental Roll Interest Income, Rent Other	3,791,085 45,364 90	3,791,085 45,364 90	29,628 50,147 591		74,224 45,430 470	(44,596) 4,717 121	-60% 10% <u>26%</u>
TOTAL HOUSING	3,836,539	3,836,539	80,366	<u>2%</u>	120,124	(39,758)	<u>-33%</u>
TOTAL CAPITAL PROJECTS FUNDS	27,373,112	27,373,112	276,419	1%	553,793	(277,374)	-50%



Redevelopment Agency Year to Date Expenditures - Fiscal Year 2003/04 For the Month of October 2003 33% of Year Complete

FUND NO.	FUND/ACTIVITY	THIS MONTH ACTUAL EXPENDITURES	ADOPTED BUDGET	AMENDED BUDGET	YTD EXPENDITURES	OUTSTANDING ENCUMBRANCES	TOTAL ALLOCATED	% OF TOTAL TO BUDGET
317 CAI	PITAL PROJECTS							
	BAHS Administration BAHS Economic Developme BAHS CIP	127,578 77,044 2,222,119	1,509,317 4,516,120 21,320,714	1,598,923 8,204,443 30,161,249	423,870 3,478,474 7,884,384	69,397 228,423 12,283,276	493,267 3,706,897 20,167,660	31% 45% <u>67%</u>
тот	TAL CAPITAL PROJECTS	2,426,741	27,346,151	39,964,615	11,786,728	12,581,096	24,367,824	<u>61%</u>
327 ANI	D 328 HOUSING							
	Housing	164,005	4,592,332	8,538,767	3,479,589	89,374	3,568,963	<u>42%</u>
TO	TAL HOUSING	164,005	4,592,332	8,538,767	3,479,589	89,374	3,568,963	<u>42%</u>
TOTAL	CAPITAL PROJECT FUND	2,590,746	31,938,483	48,503,382	15,266,317	12,670,470	27,936,787	58%

Redevelopment Agency of the City of Morgan Hill Balance Sheet Report - Fiscal Year 2003/04 For the Month of October 2003 33% of Year Complete

	CAPITAL PROJECTS (Fund 317)	Housing (Fund 327/328)
ASSETS	,	,
Cash and investments:	7.045.400	2 222 422
Unrestricted Accounts Receivable	7,015,168 3,200	2,832,129 7,806
Loans and Notes Receivable	3,344,470	24,300,879
Loans and Notes Neceivable	3,344,470	24,300,879
Advance to Other Funds		
Fixed Assets ²	71,049	
Other Assets	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
Total Assets	10,433,887	27,140,814
LIABILITIES		
LIABILITIES		
Accounts Payable and Accrued Liabilities	20,180	13,354
Deferred Revenue ³	1,143,834	6,286,255
Accrued Vacation and Comp Time	1,111,000	3,3,3
·		
Total liabilities	1,164,014	6,299,609
FUND BALANCE		
Fund Balance		
Reserved for:		
Encumbrances	12,581,096	89,374
Advance to Other Funds	12,561,096	89,374
Properties Held for Resale	71,049	
Loans and Notes Receivable	2,200,636	18,014,625
	, ,	
Total Reserved Fund balance	14,852,781	18,103,999
Unreserved Fund Balance	(5.500.000)	2 === ===
Unreserved Fund Balance	(5,582,908)	2,737,206
Total Fund Balance	9,269,873	20,841,205
	3,200,010	25,541,200
Total Liabilities and Fund Balance	10,433,887	27,140,814

¹ Includes Housing Rehab loans and loans for several housing and Agency projects.

² Includes RDA properties held for resale.

³ Includes the deferred payment portion of the loans noted above.



REDEVELOPMENT AGENCY STAFF REPORT

MEETING DATE: November 19, 2003

AMEND AGREEMENT WITH SEIFEL CONSULTING FOR THE PREPARATION OF THE AFFORDABLE HOUSING STRATEGY

RECOMMENDED ACTION(S) Authorize the Executive Director to amend the agreement with Seifel Consulting to increase the contract amount by \$7,040 for additional services needed to prepare the affordable housing strategy, subject to Agency General Counsel review.

Agenda Item # 15
Approved By:
BAHS Director
Submitted By:
Executive Director

EXECUTIVE SUMMARY:

In August 2003, the City Council/Redevelopment Agency adopted an Affordable Housing Strategy (Strategy). The Strategy was the culmination of 12 months work by staff and Seifel Consulting, the firm retained to prepare the Strategy. While staff is pleased with the end product, it did take longer and cost more than anticipated to prepare. With the final accounting, Seifel Consulting (Seifel) indicates that they incurred \$7,040 more than the maximum contract amount of \$73,000 approved by the Agency in June 2002. Seifel believes the services provided were beyond the initial scope of work to prepare the Strategy. We have discussed the issue with Seifel and find their request is reasonable. The extra costs were for the preparation and participation of Seifel at the Agency workshop in April 2003 and for additional evaluation of State Proposition 46 funding sources. The agreement only called for one meeting with the Agency Board and did not include the evaluation of Proposition 46 funds. Seifel also indicates that they incurred another \$9,000 in costs related to more in-depth financial analysis of Agency projects/programs and revising the Strategy to incorporate revisions from the workshop and to make the Strategy a more user friendly document. You may recall that the final Strategy was divided into two documents: "Strategy and Implementation" and "Technical Report." However, Seifel recognizes that consulting projects with public agencies usually entail incorporating new information as the project proceeds and making some revisions along the way. As a result, Seifel has agreed to absorb the costs for \$9,000 in additional services.

FISCAL IMPACT: Funds are available in the existing BAHS budget (Fund 327).



CITY COUNCIL AND REDEVELOPMENT AGENCY STAFF REPORT

MEETING DATE: November 19, 2003

ACQUISITION OF THE VTA PROPERTY ALONG BUTTERFIELD BLVD.

RECOMMENDED ACTION(S): 1) Authorize the Executive Director to do everything necessary and appropriate to execute and implement, including making minor revisions to, the Agreement for Purchase of Property and all related documents with the Valley Transportation Authority (VTA), for the purchase of their interest in the vacant portion of the Caltrain Lot.

Agenda Item # 16
Prepared By:
Housing Program Coordinator
Coordinator
Approved By:
BAHS Director
Submitted By:
Executive Director

- 2) Appropriate the amount of \$150,000 from the current year unappropriated Fire Impact Fund to cover the purchase price, related escrow and closing costs, and schematic design costs.
- 3) Authorize the Agency to convey and City to accept the full interest in the property; and authorize Executive Director and City Manager to, respectively, do everything necessary to convey and accept the subject property.

EXECUTIVE SUMMARY: The approximate 1.8 acre property is located on the northern portion of the existing VTA Caltrain Park and Ride lot along the west side of the Butterfield Boulevard, north of Diane Avenue (portion of APN 726-15-069 and a portion of APN 726-14-068). Currently, the City leases this property from VTA for the interim Skateboard and BMX Park. The ownership of this parcel is vested in both VTA and the Agency as Tenants in Common. Percentage interests for VTA and Agency are 59% and 41%, respectively. This percentage was based on the proportion of costs contributed by each party to the project.

The City's Fire Master Plan indicates that the City should acquire a fire station site in a central location in the City east of the railroad tracks. The subject site meets these two requirements and is adjacent to the future Morgan Hill Courthouse complex. We anticipate that the front portion of the site (Butterfield Boulevard frontage) will accommodate the fire station and the rear will be designed to be a landscaped "plaza" leading to the downtown from the Courthouse. This will provide for a better transition from the Courthouse to downtown. Given these two needs, staff is recommending that we "buy out" VTA 's interest in this property.

FISCAL IMPACT: The CIP Budget includes \$400,000 for acquisition. The purchase price is \$510,000 including closing costs. We also anticipate the need for an additional \$40,000 to cover the preliminary site design costs, parcel split costs, and other costs for the fire station. As a result, an additional \$150,000 will need to be appropriated from the Fire Impact Fund (*Fund 313*).

CITY OF MORGAN HILL JOINT SPECIAL AND REGULAR CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES – NOVEMBER 5, 2003

CALL TO ORDER

Mayor/Chairman Kennedy called the special meeting to order at 5:05 p.m.

ROLL CALL ATTENDANCE

Present: Council/Agency Members Carr, Chang, Sellers, Tate, and Mayor/Chairman Kennedy

DECLARATION OF POSTING OF AGENDA

City Clerk/Agency Secretary Torrez certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2.

City Council and Redevelopment Agency Action

WORKSHOP ON FINANCING, SCOPE, AND SCHEDULE FOR "REMAINING 1. **PUBLIC FACILITIES PROJECTS"**

City Manager/Executive Director Tewes presented the staff report, indicating that this workshop arose from the Council/Redevelopment Agency's goal setting retreat held approximately one year ago. The goal stipulates that following the round two decision on the State library bond application, a workshop is to be scheduled to review priorities, locations and funding for all remaining municipal buildings. He indicated that staff has provided the Council/Agency information that identifies all of the remaining municipal buildings. He stated that the City was not successful in the round two library bond application. Therefore, this remains a problem the City needs to work on. He identified the projects that the City has identified that might be undertaken in order of scheduled completion dates as follows:

- 1) regional soccer complex \$1 million of RDA funds has been set aside to assist in the construction of a new regional soccer complex. He indicated that the City of San Jose is conducting an environmental impact report adjacent to the Sobrato high school. This project could be opened as early as January 2005.
- 2) Library a \$21.1 million project; \$5.4 of RDA set aside funds with a possible opening in 2006 or later. The opening of the library is dependent on the decisions to be made by the Council/Agency this evening or at subsequent meetings on how it would like to proceed with the library project.
- 3) Development of the outdoor soccer complex RDA has already acquired the land on Condit Road, north of the aquatics center. \$2.7 million has been allocated from the Park Development Fund and a new development impact fee that will pay for this project. No funds are to come from the RDA.
- 4) Expansion of the El Toro Youth Center on Crest Avenue. \$1.3 million has been allocated from the City's budget, none from RDA funds. This project could be constructed in 2006 or later.

City of Morgan Hill Joint Special & Regular City Council and Special Redevelopment Agency Meeting Minutes – November 5, 2003 Page - 2 –

- 5) The third municipal fire station. The Fire Master Plan calls for a site that is located within the central part of the community. The City has identified a site just south of the transit center, south of the Caltrain parking lot. The City is in the process of acquiring this land from VTA. The decision to build this facility depends on when the City's budget can absorb the additional operating cost of a new fire company. The fire station would be financed from Development Impact Fees and no RDA funds.
- 6) Expansion and modernization of City Hall. He indicated that it had been planned, with the construction of a new 40,000 square foot library to the west that the existing library building could be made available for expansion and modernization of city hall. Perhaps, some time in the future, the construction of new council chambers in the area between city hall and the library can occur. Target day would be 2007 or later. Financing would not come from RDA funds. He said that the City's five year financial forecast for the general fund does not include the cost to support the debt for the expansion of City Hall.
- 7) Expansion and relocation of the City's corporation yard. He felt that it would be appropriate to consider expanding and relocating this facility because it is too small. The Council has also expressed a desire to incorporate the 1.8 acre corporation yard site into the community park master plan. He said that relocation would cost approximately \$5.5 \$7.6 million in current dollars with a projected date of 2008 or beyond attributed to the fact that the School District has a lease for the school bus yard through July 2006 with the opportunity to extend for one year to July 2007. This project would be financed with debt to be paid by the user departments.

Council/Agency Member Tate provided additional background regarding the library bond application. He stated that today, he sent the Council, through the City Manager/Executive Director, the evaluation conducted by the State as well as an analysis prepared by Sarah Flowers. He stated that when the Council/Agency goes through the scoring, it will find that the City did not improve its score and that it has a long way to improve its score in the third round, noting that the City only has two months to do so. He stated that City and library staff will be spending time with evaluators on Friday because it is not understood why the City did not score higher as the City proceeded in the direction that the State evaluators recommended for application improvement. He said that staff will be discussing the evaluation with the Library Commission on Monday night. He recommended that the City proceed with an application with the assumption that the City will not be successful in the competition.

Mayor/Chairman Kennedy referred to page 3 of the staff report, indicating that this page separates all City projects into two categories. The first four projects are ones that are completed or substantially underway: 1) Community and Cultural Center (completed), 2) aquatics complex (well underway with an opening expected in May 2004), 3) Police station (underway with a completion date expected in June 2004), and 4) the indoor recreation center (under design with an expected completion date of early 2006). He indicated that the second category of projects that have not yet begun or are in the early stages of development are: 1) the library, 2) the outdoor sports complex, 3) the regional soccer complex at the Sobrato high school site, 4) expansion of the El Toro Youth Center, 5) relocation/expansion of the corporation yard, 6) expansion and modernization of City Hall, and 7) the fire station. He stated that he took these projects and created an "A" and "B" list. His A list includes the first four projects and added

City of Morgan Hill Joint Special & Regular City Council and Special Redevelopment Agency Meeting Minutes – November 5, 2003 Page - 3 –

the library as an "A prime" project because it is a special case because of the unique bonding situation. He also listed the regional soccer complex on the A list as it can move forward. The remainder of the projects were placed on a "B" list. He listed three options for the library: 1) wait until January 2004 to see what happens with the third round competition; 2) split the project into phases, proceeding with Phase I immediately and reduce the scope of the application; and 3) look at the library and build a smaller facility with the potential for expansion. He said that he would favor proceeding with the library but at a reduced or phased level with plans to expand through a local bond measure or the extension to the redevelopment agency to complete the remainder of the project. He said that the "A" list consists of projects which the City needs to stay the course so as not to delay the completion of the projects. He felt that these projects need to be delivered within a reasonable schedule that is expected by the public. He indicted that the "B" list are projects that may need additional sources of funding or may require operating cost that have not been identified such as the fire station. He felt that the City will know more a year from now with respect to the economic situation. He said that the City needs to be careful not to commit itself to additional projects that would impact the general fund. He stated that the City is dipping significantly into the general fund reserves, noting that the reserves were set aside for times of economic uncertainty. He felt that it was prudent to do so, but that the City should not be placed at risk so that it uses all of the reserves with no foreseeable economic up turn or some assurance that the City will be able to build up its revenue base.

Council/Agency Member Tate agreed that the library belongs on the A+ list. He felt that there are several options that the City can look at in terms of phasing the library. If the City is to build the library on its own, there are items that the City can cut from the library and phase them in later. He strongly supported the IRC because he felt that this facility would be the vehicle the City would have that would support the needs of the youth and seniors of the community. However, the youth and seniors in the community are telling the Council that the IRC does not meet their needs, noting that this is a \$26 million project. He was not suggesting that the Council replace the IRC with the library because he agreed that there is a way to proceed slower on the library, involving less money. Should the City decide to proceed with the first phase of the library, the Council would need to take funding from somewhere. He did not believe that the City should proceed with the IRC until the scope can be improved for youth.

Council/Agency Member Sellers said that the list was helpful in discerning which projects are underway and those that have not yet begun. He supported continuing with the projects underway as it would be a significant loss of income that the City would sustain if it was to stop mid project. He stated that the compelling reason to continue with the projects is that there is a need for the facilities, noting that the City has an inadequate senior facility and virtually no youth center. He felt that the City needs to keep the momentum going. He noted that the City is not duplicating or expanding existing facilities. These are projects that were developed over a five-year period of time through community input, starting with the Visioning process. He recommended that the City continue with the four projects. He concurred that the library needs to be at the top of the priority list. He stated that the Council proceeded with what made sense in terms of the location and development of the library. He indicated that the site for the library was chosen because it was a site that made sense for the City, it is centrally located, and that it was believed that it would be significant for the City's chances for bond funds. He noted that the City has not been awarded bond funds and that it may make sense to resubmit for the third round of bond funding. He felt that the Council/Agency needs to look at different options for the library. He noted

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that Council/Agency Member Carr has talked about partnering with the School District in looking at options that includes the use of some of their facilities. He recommended that the City explore this option, starting discussions with the library commission and the City-School Liaison Committee. He recommended that a library subcommittee be formed to focus on the library as has been done with the IRC and aquatics projects. The library subcommittee could seek ways to expedite the development of the library, understanding that the City may or may not receive bond bonds. Also, reconsider the scope and location of the library project. He felt that there may be ways to save money with phasing or reducing the scope of the project to help expedite the project. He noted that the City has a library but that there is a need for a larger facility. If there is a way for the City to retool the library and keep it moving, it would make sense to do so. He noted that Morgan Hill residents voted for the bond fund and felt that the City was entitled to its share of these funds. He felt that the City should continue looking at these funds. If the City is able to expedite the construction of the library, it should, but not at the expense of the A projects. He felt that the funds for the regional soccer complex need to be reconsidered. While this project will bring benefit to the community, he felt that there were ways to get this project underway without the use of RDA funds.

Council/Agency Member Carr felt that the location of the library and the location of other facilities should be placed on the table as conversation points to investigate the feasibility of lowering costs and finding ways to generate new revenue from other properties that the City has today for some of these facilities. He appreciated the fact that Mayor/Chairman Kennedy ranked the projects. He agreed that the library needs to be ranked at the top in terms of priority. He felt that the IRC needs to be placed on the table so that it can be considered and reviewed in terms of its size and scope, or whether there were other ways of providing these services. He stated that he was not comfortable stating that dollars have been dedicated to a regional soccer complex. He felt that the Council/Agency should be thinking about these funds in a different way and how they can be used more directly within the city limits of Morgan Hill. The community and cultural center is ranked high because it is completed. He stated that he would not support any effort to stop a project that is mid way completed such as the aquatics complex, but felt that the other projects that have not commenced construction would be reviewed. He said that this may be the time to start talking about a new community visioning process as there are a lot of projects the City and citizens would like to complete. He recommended that the dialogue about a new community visioning process commence. He noted that Council/Agency Member Tate has been actively involved in the library grant process. Therefore, he would follow his recommendation on the bond application as it has been confirmed that it would be difficult for the City to improve its library application in the next couple of months.

Mayor Pro Tempore/Vice-chair Chang stated that the library is high on her list but that she did not know how this would be accomplished.

Mayor/Chairman Kennedy opened the floor to public comment.

Jeanne Gregg, Library Commissioner, speaking as a private citizen, stated that everyone is disappointed with the results of the library bond issue. She agreed with Council/Agency Member Tate that the City needs to look elsewhere for funding. She indicated that she participated in the Visioning process, noting that the library was high in priority and may have been ranked as the number one project. When other

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projects were decided upon, it was with the assumption that the library would be built with library bond money. She stated that it was not realistic to state that a recreational facility has as high a priority as the library. She indicated that the community has to come up with funding to build a library facility to be operated by the Joint Powers Authority. Therefore, there would not be an impact on the City's budget that can be expected with other facilities. She indicated that she has spoken to individuals from the newspaper and other members in the community about a bond measure to pay for the library. She felt that it would be difficult to sell a bond measure to the community based on the fact that the City has built recreational facilities. Community members may state that the City should build the library with the current RDA funding as they may not be interested in supporting a bond issue for more public buildings. She stated that she would support a bond measure for a library but that she was concerned that in passing a bond measure for something as popular as the library would not be an easy thing to do. She said that she was proud of the way Morgan Hill has developed over the past 10-years and recommended that the Council continue with the vision into the future.

Carol O'Hare indicated that she is co-president of the Morgan Hill branch of the American Association of University Women, past president of the Friends of the Library, served on the library site committee, is actively involved with the library, and is working on the book sales that help raise money for the library. She indicated that she also works at Booksmart, a local book store. She stated that she is passionate about the fact that a new library is needed in Morgan Hill, one worthy of this community. She indicated that the issue is how the new library would be paid for. She said that the grant application has made it clear as to the City's needs and how to proceed. She noted that two attempts for state funding have not worked; therefore, funding has fallen back to the City. She urged the Agency Board to use available RDA funds to build the larger library needed by the community. She understands that this would place a hold on the construction of the IRC, waiting for additional RDA funds to become available. She noted that a new library would cost less than the IRC, even in a scaled back version, serving more community members. It would also send an important message to Morgan Hill citizens that the Council and Agency Board values books, reading, education and life long learning as much as she does.

Barbara Palmer, a 28-year resident and retired teacher, stated that funding for education is seriously decreasing and will continue to decrease over the next few years. She said that most of the school libraries lack the variety and number of books and magazines that children need as does the current library. The City needs to foster literacy in this community and the joy of reading for pleasure and knowledge. It was her hope that the Council/Agency Board would place the library at the top of the priority list.

Sarah Flowers, Santa Clara County Deputy Librarian and a former community librarian, stated that she was speaking as a citizen of Morgan Hill. She indicated that she and her husband voted for the RDA extension a few years ago for one reason; the fact that the library was listed on the ballot language and in all of the campaign materials as one of the projects that would be funded. She stated that citizens come up to her asking when the construction for the new library will begin. When she tells them that the City is waiting for money, they express surprise as they thought that redevelopment would pay for it. If the City waits and ask for another extension to the RDA in order to pay for a library or go out for a bond act, the City would get a reaction from individuals who think that they have already told the Council/Agency

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Board that the library was a high priority. She felt that building a new library makes sense for the RDA because unlike the other projects under discussion, the City does not have to worry about operations and maintenance. It would also freeze up the current library facility to use as an expansion for City Hall. She stated that a library benefits the entire community. She did not believe that any other project being considered by the Council/Agency Board would have this level of activity. She felt that the Council/Agency Board can be the latest visionaries, using RDA monies, to build a state of the art library facility that would serve the 21st century population of Morgan Hill.

Chuck Dillmann, Library Commissioner speaking as a resident, stated that the library site was selected based on two reasons: public outcry from individuals wanting to leave their children there after school; and 2) concern for purchasing land for the library. Another factor in the site selection was the fact that this was the only land that the City controlled and could guarantee delivery of a library. He felt that it was time to conduct out of the box thinking. He felt that everyone agrees that a better library is needed. He recommended that the City purchase an existing building, noting that there are two existing buildings that are of a suitable size. However, they are located north of town near Cochrane Road. An alternative to locating the building closer to town is to switch it with the police station and use the planned police station as it is a suitable size for the library. He said that these buildings can be purchased for less than it would cost to build a new library. In addition, it can assure an earlier library. He felt that the City was naïve to have gone into the second grant application and that the City would be wasting its time with the third grant application because the City is too affluent. Also, library staff is doing too good of a job of operating the current facility and that other cities are needier than the City of Morgan Hill. He did not recommend reducing the size of the library facility as the size projected would not match the population that Measure P would produce. He said that there is property on the market that can be acquired under \$1 million and that the City can solve urban blight by moving city hall to another building. Doing so would help solve some of the vacant space that is on the market; helping the economy of Morgan Hill. He said that the multi purpose buildings can be sold in the future, at a good price, and that the City can then build a custom facility. No matter what the Council/Agency Board does, there is a track record of not meeting costs. Before the City proceeds much further, he felt that a task force should be put together to figure out how to bring projects in on time and under budget.

Ralph Lyle felt that the comments expressed this evening by the Council/Agency Board and citizens have been excellent. He said that the City has a public safety exposure and is in need of a new fire station. He agreed that the City needs to step back and look at other solutions for a new library. He said that he has always been troubled with the Peak/Alkire location as he did not believe that it was centrally located to the community. He said that the library, as opposed to the other facilities listed, would have less impact on the general fund through time. He inquired whether the IRC could be designed/built as a core facility with expansion capabilities to take place at a later date. He stated that he has always been surprised that the IRC would include a swimming pool as the City is constructing several other swimming pools. He inquired how the swimming pool at the IRC would affect the cost recovery of the aquatics complex. He would consider conceding the IRC swimming pool and restoring other programming activities as swimming pools can loose money. He stated that he was in support of the library and moving full speed ahead. He said that the alternative of using an existing building may be a solution.

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Phyllis McLaughlin, recently retired children's librarian, addressed the issue of fairness. She stated that the RDA has been in effect since 1982. During this time, millions of dollars have been taken away from the Santa Clara County Library and given to the RDA to build worthy projects. She indicated that one of the reasons she did not vote for the extension of the RDA was the fact that the library lost money to the RDA the last several times it was placed on the ballot. As it was voted that the RDA would be extended and the citizens of Morgan Hill have voiced an opinion that they would like to have a larger/better library, she felt that it would only be fair that some of the money taken from the library over the years be used to build the library. She felt that the library deserves to have some of the monies paid back to it in a new library that would benefit the entire community.

Council/Agency Member Tate felt that the City needs to explore how it can get the public's opinion in terms of how the City should proceed with the projects. He felt that there is disagreement among the Council/Agency Board in terms of priorities between recreation and a new library. He felt that the City could conduct a survey/poll in the short term to assist the Council/Agency Board move forward. He was trying to find a way to get a sense of the public sector's priorities. He stated that the speakers shared his passion for a library but felt that the City needs the entire community's input.

Council/Agency Member Sellers felt that part of the consideration should be what will be done with the city hall facility. He felt that it was imperative that the City go back and look at a broader range of options, particularly focusing on the library and making it the initial focus; figuring out how it can use the funding in place and finding other funding sources. He noted that the Redevelopment Agency has set aside \$5.4 million for the library and felt that there may be other funds available within the RDA. He felt that a false choice was laid out in the newspaper and by other individuals to state that it is an either or situation for recreational facilities or a library. During the Visioning process, the public stated that they wanted a library and that he was determined that the City should provide a new library facility as soon as possible. The Council/Agency Board has always stated that both recreational facilities and a new library would be constructed. He noted that the City does not have recreational facilities and that a library was needed as the current one is inadequate. He recommended that the City consider the options identified such as looking at school facilities or finding ways to partner with the School District. He felt that Mr. Dillmann offered creative and thought provoking alternatives. He inquired if there was a downside to submitting a third State library bond application. He indicated that the Council met with a State legislator last week who mentioned that there may be other funding sources that State legislators were considering to expand and continue RDA funding. He stated that he was not willing to sit and wait until January 2004 and not proceed with other options. He felt that it would be a slim chance that the City would receive funding as quickly as it would like given what is taking place in Sacramento.

Mayor Pro Tempore/Vice-chair Chang noted that \$5.4 million of RDA funds have been reserved for the library. She inquired what the \$5.4 million would provide in terms of a library expansion. She recollected that the \$5.4 million could be used to add an additional 14,000 square foot library expansion should the City not be successful in its library bond application.

Council/Agency Member Tate said that the \$5.4 million was the City match required for funding. He said that the Council/Agency Board stated that it would use this money to expand the existing facility but that no work was done to determine the cost for expansion. This amount was a guess as to the

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amount of funding needed for expansion. He did not believe that there was a downside to proceed with a third library bond application. He did not believe that the IRC was meeting the needs of youths and seniors based on his discussions with them. He felt that the City needs to find ways to meet the needs of these groups and that a lot can be done to meet these needs with an outdoor sports complex. He felt that this can be incorporated into the study. He said that he would place the outdoor fields in the "A" category as it would address the needs of the community for recreation.

Mayor/Chairman Kennedy noted that there are \$7.4 million of funds available for the library over time. He felt that with proper evaluation, the City can find a way to build a more cost effective library. It may be that the library could be designed somewhat smaller but designed with capabilities for expansion in the future once additional funding is found. If the City were to relocate the corporation yard, build a library on this site, and then sell the site, the net benefit would be making money in this process. Perhaps a site on the Britton campus may be an alterative. He felt that the City needs to look at creative ways for making this work with the existing resources, sites and spaces that may be available. He noted that Council/Agency Member Sellers suggested that a Council subcommittee be created to work on this issue. He stated that the library commission needs to be a primary source to work with as well. He suggested that the Council put together a committee composed of a few Council members, working with the Library Commission, to evaluate options to make the library and IRC work, sooner rather than later, so that both projects can proceed without pitting the library advocates against the recreation advocates.

City Manager/Executive Director Tewes informed the Council/Agency Board that the \$21.1 million includes acquisition of the site. He said that page 5 identifies sources of funding for the \$21.1 million. He said that \$400,000 has already been spent on the design of the library.

Council/Agency Member Carr stated his support for the creation of a council library subcommittee. He said that the Agency needs to continue to look at the RDA and the RDA dollars, noting that priorities and funding changes with time. He did not know if the City would have proceeded differently with the library had it not been for the bond application. He said that the issue of the IRC is one that needs to be addressed. He stated that he was convinced that the IRC's main function should be senior and youth services. The City needs to determine how the City can best provide expanded and improved youth and senior services. It may be found that the intergenerational IRC may not be the best way to meet these needs based on the dollars available and the needs the City has across the community. He felt that this needs to be examined. He noted that staff conducted focus group meetings with the senior and youth advisory committees. He stated that the City needs to open up discussions so that it is not just talking about the foot print and location that the Council/Agency Board has been talking about. He said discussion may be about expanding services in other ways using current assets. He felt that the discussion relating to the IRC needs to be reopened.

Mayor Pro Tempore/Vice-chair Chang stated that \$7.7 million has been reserved for flood control and \$5 million for economic development, equating to approximately \$12 million. She noted that this is the amount of funds needed for the library. She inquired why funding for these two projects were not included as a funding source. She did not know if she would support changing the scope of the IRC as it has been discussed for approximately 2-3 years. She indicated that the IRC indoor swimming pool has been designed to be used by senior citizens. She stated that the Council/Agency Board has focused on

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the cost recovery for this project. She recommended that flood control and economic development funding be used for the library.

Council/Agency Member Sellers stated that there were significant flood control and economic development needs. He would like to take a look at opportunities for private partnerships within some of the facilities. He noted that the City is in the process of building facilities such as the indoor recreation center and that the City needs to continue this process as too much time, energy and money has been spent on this project to stop at this time. He felt that there may be opportunities for such things as the gymnasium where the City can enter into long term commitments that should be pursued. This may allow for some funds to be freed up for other projects.

Mayor/Chairman Kennedy noted that there are other funding sources not yet discussed that have been successful in many other communities such as fundraising efforts. He indicated that Council/Agency Member Tate mentioned that the Castroville project was successful as that community was able to raise \$1.3 million. He said that there is an interest on the part of many benefactors and those who have done well in the community to give back to the community. Therefore, this is an option that has not been looked at and needs to be explored. He noted that the aquatics group has raised funds to help operate the aquatics center and the Community Foundation is raising funds to assist other facilities. He felt that it was time for the City to look to individual donors to help with the library funding. He noted that the Council/Agency has a subcommittee that is working on the indoor recreation center. He recommended that they be asked to look at the broader picture and determine whether the indoor recreation center is truly going to meet the needs of youths and seniors and whether there are other funding alternatives that would make the center work. He recommended that a library subcommittee be formed that would include Council/Agency Member Tate as a member. He agreed to volunteer to serve on this subcommittee as he has served as the City's representative to the Library Authority in the past and has a background in construction. His felt that his experience may be helpful as a member of the library subcommittee.

Council/Agency Member Carr stated that he would support Mayor/Chairman Kennedy serving on the library subcommittee. He noted that it has been mentioned this evening about partnering closer with the School District. He felt that there may be great opportunities to do so. He volunteered to be a part of these conversations through the City-School Liaison Committee or through individual connections.

Mayor Pro Tempore/Vice-chair Chang stated that she would support a library on Monterey Road and Keystone Avenue.

Council/Agency Member Sellers agreed that situations and locations change with time. He encouraged the library subcommittee to hold direct meetings with the School District as well as the Library Commission sooner rather than later. He inquired whether the subcommittee could report back on some funding options for library development in January.

Council/Agency Member Carr inquired whether the City would be able to submit the same application for the round 3 library bond application or whether the City would need to make adjustments to the application.

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Council/Agency Member Tate said that the City would be foolish to resubmit the same application. If the City can reduce the scope/dollar amount of its application, the City may be able to improve its placement in the library bond cycle.

Council/Agency Member Carr suggested that the City find ways, with a minimal amount of work, to improve its library application as a placeholder while the City moves forward with other opportunities.

<u>Action</u>: It was the consensus of the City Council to <u>appoint</u> Council/Agency Member Tate and Mayor/Chairman Kennedy to a library subcommittee.

Mayor/Chairman Kennedy identified a list of expectations for the library subcommittee to consider: 1) look at a new scope for the library; 2) look at new location(s), and 3) investigate additional sources of funding.

Council/Agency Member Tate further suggested that the library subcommittee establish suggestions for a polling process to determine where the City's constituents are on these issues.

Mayor Pro Tempore/Vice-chair Chang recommended that the City determine what \$7-8 million would give the City (e.g., funds to be used for a library expansion).

Council/Agency Member Sellers felt that the City needs to start with a "facility needs" to make sure that it is meeting the long term community needs.

Council/Agency Member Tate indicated that the Library Commission would be meeting next Monday night and recommended that the library subcommittee attend this meeting and conduct a brainstorming session at said meeting.

Council/Agency Member Sellers indicated that the indoor recreation subcommittee would report back periodically; reporting back with phasing alternatives and sources of funding.

Council/Agency Member Carr felt that the City should consider other ways of providing these services outside of the footprint of what has been developed.

Mayor/Chairman Kennedy recommended that the indoor recreation subcommittee review sources of funding, included basic needs.

Mayor Pro Tempore Chang/Vice-chair Chang requested that thought be given to whether or not the Council/Agency would be looking at 95% - 100% cost recovery (e.g., is cost recovery an issue).

Mr. Dillmann informed the Council/Agency Board that the Library Commission has a subcommittee working with the Friends of the Library who established a foundation to raise money for the library. Funding is being targeted to provide Sunday hours and to address reduction of services in future years based on the State's economic crises

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Ms. Gregg said that part of the reason the library was so expensive was due to the fact that this site was the most expensive lot to deal with in terms of construction issues. Development of a library on this site results in moving a pump and the need to address site constraints. She felt that a lot of the cost issues can be reduced if the library was sited elsewhere.

City Council and Redevelopment Agency Action

CLOSED SESSIONS:

City Attorney/Agency Counsel Leichter announced the following closed session items:

1.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Government Code Sections 54956.9(b) & (c) Number of Potential Cases: 2

2.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Government Code section 54956.9(a) Parkin v. City of Morgan Hill WCAB No. SJO Unassigned; Claim No. 992700500

OPPORTUNITY FOR PUBLIC COMMENT

Mayor/Chairman Kennedy opened the Closed Session items to public comment. No comments were offered.

ADJOURN TO CLOSED SESSION

Mayor/Chairman Kennedy adjourned the meeting to Closed Session at 6:32 p.m.

RECONVENE

Mayor/Chairperson Kennedy reconvened the meeting at 7:07 p.m.

CLOSED SESSION ANNOUNCEMENT

City Attorney/Agency Counsel Leichter announced that no reportable action was taken in closed session.

SILENT INVOCATION

In remembrance of John Moreno, former Chief of Police, City Manager, and Council Member.

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PLEDGE OF ALLEGIANCE

At the invitation of Mayor/Chairman Kennedy, Chuck Dillmann, President of the Sister Cities Association and Library Commissioner, led the Pledge of Allegiance.

PROCLAMATIONS

Mayor Kennedy presented a proclamation to Dina Campeau, Emergency Housing Consortium, proclaiming November 16-22, 2003 *Hunger and Homelessness Awareness Week*. Ms. Campeau invited everyone to the annual memorial service to honor the lives of those in Santa Clara County who have died while homeless, either in a shelter or the street. The memorial will take place in San Jose at the Bacardo Recreation Center in San Jose on November 19, 2003 at 11 a.m.

CITY COUNCIL REPORT

Mayor Pro Tempore Chang reported on the dayworker center, indicating that the Dayworker Committee has been meeting weekly for approximately 6 weeks. She announced that the Committee has figured out a way to proceed with the dayworker center project. She stated that the dayworker center is to receive a partial grading permit and encroachment permit but that the Committee still needs everyone's support as the project is still short of money. She indicated that all Council members, the City Manager and his staff have made phone calls on the Committee's behalf for assistance and have provided needed assistance. She thanked everyone for their efforts.

CITY MANAGER REPORT

City Manager Tewes reported on the monthly update on the extent of perchlorate contamination in city wells. He stated that the recent report indicates that the City's domestic wells on line are free of perchlorate at the detection limits set by the state. He said that the source of the perchlorate in the ground water in South County is the former Standard Fuse plant at Tennant and Railroad Avenues. A lot of testing has been conducted by the Olin Corporation, the responsible party, and the Water District. He said that the City has learned that the plume has extended as far south as nine miles. He indicated that the City has detected, from time to time, low levels of perchlorate in domestic wells to the north and east of the Standard Fuse site. Staff has fairly consistently urged the Water Board to order Olin to test to the north and east of the site. He stated that most recently, Olin indicated that they would conduct a survey of existing data to see whether the existing data might illustrate whether or not perchlorate was moving to the north and/or the east. He stated that City staff was disappointed with this because it did not include actual testing. He indicated that in a recent report submitted to the Water Board, Olin now acknowledges that their own test results from their site indicate that the ground water plume does extend to the south, north and east of the site. He stated that this is important to the City as this will allow the Water Board to evaluate their plans more carefully. If Olin is found to be responsible, it is the City's hope that all cost incurred for testing and efforts to provide treatment facilities on the domestic wells can be the responsibility of the Olin Corporation.

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CITY ATTORNEY REPORT

City Attorney Leichter stated that she did not have a City Attorney's report to present this evening.

OTHER REPORTS

None

PUBLIC COMMENT

Mayor Kennedy opened the floor to public comment

Randal Curtis indicated that at the last meeting the City Manager mentioned the lack of tax revenue. He wanted to remind the City Manager that it is his job to manage the City's finances. He indicated that the voters of Morgan Hill have also incurred loss in revenue due to the economy and yet still have to pay taxes. He suggested that the City Manager consider pay cuts and putting projects on hold, doing what the City can to stay out of citizens' pockets as they are also going through hard times. He would like the City Manager to manage the cost of the City and slow down some of the expenses, performing cost savings, layoffs or whatever is appropriate for the citizens and voters of Morgan Hill as everyone is hurting and no one should be exempt from cuts.

Mayor Kennedy indicated that the City Manager and City Attorney have both voluntarily elected not to accept a pay raise this year where this is not the case in many other jurisdictions. In addition, under the City Manager's direction, the City has cut expenses by 7% last year and another 6% this year. There is also a hiring freeze in place. Therefore, a lot of what Mr. Curtis is suggesting is being done.

Mayor Kennedy announced that last Saturday, at the Burnett Elementary School, the India Cultural Association of the Bay area held their Diwali new years festival of lights. He indicated that they have given each Council Member a coffee mug in recognition of this event. On the previous Saturday, the local India American group held another Diwali festival at the community playhouse. He said that this was a very warm and nice event.

City Council Action

CONSENT CALENDAR:

Mayor Pro Tempore Chang requested that items 4 and 5 be pulled from the Consent Calendar.

Action: On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council unanimously (5-0) Approved Consent Calendar Items 2, 3, 6-19, as follows:

2. <u>PERFORMANCE MEASURE UPDATE – FIRST QUARTER FY 2003-2004</u> *Action: Received and Filed Report.*

3. ACCEPTANCE OF PUBLIC IMPROVEMENTS AT THE END OF ADAMS COURT AND ALONG A PORTION OF COCHRANE ROAD (ADAMS COURTYARD BUSINESS PARK)

<u>Action:</u> 1) <u>Adopted</u> the Resolution No. 5730, Accepting the Public Improvements for Adams Courtyard Business Park; and 2) <u>Directed</u> the City Clerk to File a Notice of Completion with the County Recorder's Office.

6. <u>APPROPRIATION OF FUNDS FOR NON-BUDGETED PERCHLORATE</u>
<u>CONTAMINATION RELATED EXPENSES IN FISCAL YEAR 2003-2004</u>

<u>Action:</u> <u>Approved</u> the Appropriation of \$359,358 From the Unappropriated Water Fund Balance (650) to Fund the On-going Expenses for Perchlorate Contamination.

7. <u>COUNCIL RESOLUTION SUPPORTING GRANT FUNDING FOR WATSONVILLE</u> BRIDGE WIDENING

<u>Action:</u> 1) Adopted Resolution No. 5731, Supporting the Watsonville Bridge Widening Project as the City's 2005-2006 Hazardous Elimination Safety (HES) Project Candidate; and 2) <u>Certified</u> \$70,000 in Matching Funds will be Appropriated from the Unappropriated Traffic Impact Fund if Grant Application is Successful. City will Cover Costs Associated with Administration, Planning, Design and Inspection, Estimated at \$50,000, plus 10% of the Estimated Construction Cost (\$20,000).

- 8. <u>MAIN AVENUE-UNION PACIFIC RAILROAD (UPRR) CROSSING SAFETY IMPROVEMENTS PROJECT FIBER OPTIC CABLE RELOCATION AGREEMENT</u>
 - <u>Action:</u> 1) <u>Appropriated</u> \$6,500 from the Unappropriated Traffic Impact Fee Fund for This Work; and 2) <u>Authorized</u> the City Manager to Execute a Relocation Agreement, with Costs in the Amount of \$6,090 with Qwest Communications Corporation (QCC) for the Main Avenue/UPRR Crossing Safety Improvements Project, Subject to Review by City Attorney.
- 9. <u>APPROVAL OF ADDITIONAL PG&E FEES FOR AQUATICS CENTER</u>

 <u>Action: Approved</u> Payment of Additional Fees to PG&E for the Aquatics Center in the Amount of \$18,412.24 for a Total of \$210,004.98.
- 10. <u>APPROVE PAYMENT TO SANTA CLARA COUNTY FOR VEGETATION ABATEMENT ON CITY-OWNED PROPERTY</u>

<u>Action:</u> <u>Approved</u> Payment in the Amount of \$60,608.90 for Vegetation Abatement in Fiscal Year 2002-2003.

11. <u>AWARD OF CONTRACT FOR SIDEWALK, CURB & GUTTER REMOVAL AND REPLACEMENT, PHASE III 2003-2004 PROJECT</u>

<u>Action:</u> 1) <u>Awarded</u> Contract to Monterey Peninsula Engineering, Inc. for the Construction of the Sidewalk, Curb and Gutter Removal and Replacement 2003-2004 Phase III in the Amount of \$65,140; and 2) <u>Authorized</u> Expenditure of Construction Contingency Funds Not to Exceed \$6,514.

12. <u>EMERGENCY AUTHORIZATION FOR SEWER LINE REPAIR AT 2983 HOLIDAY</u> COURT

<u>Action:</u> 1) <u>Adopted</u> Resolution No. 5732, Declaring the Need for Emergency Expenditure for Repair Work to Damaged Sewer Line at 2983 Holiday Court; and 2) <u>Approved</u> Funding in the Amount of \$18,000 for This Emergency Work.

13. <u>VOLUNTEER CENTER OF SILICON VALLEY AND CITY OF MORGAN HILL MEMORANDUM OF UNDERSTANDING (MOU)</u>

<u>Action: Authorized</u> the City Manager to Execute a Memorandum of Understanding (MOU) on Behalf of the City of Morgan Hill with the Volunteer Center of Silicon Valley to Support, in Conjunction with the Office of Emergency Services and other City staff, a Processing Center for Spontaneous Volunteers Responding to a Catastrophic Disaster in the Santa Clara Valley, within the City of Morgan Hill at a Site or Facility to be Determined.

14. MEDICAL RESERVE CORPS (MRC) CONTINUATION GRANT (FY-03) FROM THE OFFICE OF THE SURGEON GENERAL, U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

<u>Action:</u> <u>Approved</u> and <u>Accepted</u> this Continuation Grant of \$50,000 for FY-03 for the Morgan Hill Medical Reserve Corps Operations, Training, and Equipment.

15. <u>2003-2004 CITY WORKPLAN, FIRST QUARTER UPDATE</u> <u>Action: Accepted</u> First Quarter Update of the 2003-2004 Workplan.

16. ADOPT ORDINANCE NO. 1639, NEW SERIES

Action: Waived the Reading, and Adopted Ordinance No. 1639, New Series, and Declared That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO ORDINANCE NO. 1437 WHICH ADOPTED A PRECISE DEVELOPMENT PLAN FOR A FIVE-UNIT PROJECT WITH COMMON OPEN SPACE AT THE SOUTHEAST CORNER OF JUAN HERNANDEZ DRIVE AND SAN VICENTE COURT. THE AMENDMENT INCLUDES THE ADOPTION OF A NEW PRECISE DEVELOPMENT PLAN FOR FIVE SINGLE-FAMILY HOMES AND ONE GRANNY UNIT (APNs 817-60-062 thru -067) (ZA-02-12: NINA LANE-CHEN).

17. ADOPT ORDINANCE NO. 1640, NEW SERIES

<u>Action: Waived</u> the Reading, and <u>Adopted</u> Ordinance No. 1640, New Series, and <u>Declared</u> That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A DEVELOPMENT AGREEMENT FOR APPLICATION MMP-02-01: NINA LANE – CHEN (APNs 817-60-062 thru -067) (DA-02-11: NINA LANE – CHEN).

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18. ADOPT ORDINANCE NO. 1641, NEW SERIES, AS AMENDED

<u>Action: Waived</u> the Reading, and <u>Adopted</u> Ordinance No. 1641, New Series, as Amended, and <u>Declared</u> That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL ALLOWING MODIFIED SETBACK DWELLINGS IN RESIDENTIAL PROJECTS DUE TO CONSTRUCTION LIABILITY INSURANCE ISSUES SURROUNDING OWNERSHIP ATTACHED HOUSING (ZA-03-13: CITY OF MORGAN HILL – ZONING TEXT AMENDMENT/ATTACHED HOUSING).

19. <u>SPECIAL CITY COUNCIL MEETING MINUTES – TOUR OF AQUATICS CENTER CONSTRUCTION SITE ON OCTOBER 24, 2003.</u>

Action: Approved the minutes as submitted.

Mayor Kennedy noted that the recommended action for items 4 and 5 is to take no action which would thereby concur with the Planning Commission's decision. He stated that several Council Members have expressed a desire to hear these items. Therefore, he requested that these two items be agendized for Council discussion on December 3, 2003.

City Attorney Leichter indicated that the Appeals Code section speaks to the Council's ability to bring tentative maps up for review. Therefore, it would take a majority vote of the Council to agendize these items for Council review.

4. **SUBDIVISION, SD-02-11: DEWITT-MARQUEZ**

<u>Action:</u> On a motion by Council Member Sellers and seconded by Mayor Pro Tempore Chang, the City Council unanimously (5-0) <u>Scheduled</u> a December 3, 2003 Hearing Regarding Approval of the Subdivision Map.

5. <u>SUBDIVISION, SD-03-05: DEWITT-MARRAD GROUP</u>

<u>Action:</u> On a motion by Council Member Sellers and seconded by Mayor Pro Tempore Chang, the City Council unanimously (5-0) <u>Scheduled</u> a December 3, 2003 Hearing Regarding Approval of the Subdivision Map.

In response to Mayor Kennedy's inquiry relating to items 23 and 24 being continued to December 3 that also pertain to this same issue, Director of Community Development Bischoff indicated that these items have been advertised for public hearing. Therefore, it would be necessary to open the public hearings. He suggested that it would be an appropriate action to continue these items to December 3, 2003.

City Council and Redevelopment Agency Action

CONSENT CALENDAR:

City Manager/Executive Director Tewes requested that item 22 be pulled from the Consent Calendar.

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Action:

On a motion by Council/Agency Member Tate and seconded by Council/Agency Member Sellers, the Council/Agency Board unanimously (5-0) <u>Approved</u> Consent Calendar Items 20 and 21 as follows:

20. FORMATION OF MORGAN HILL FINANCING AUTHORITY

Redevelopment Agency Board:

<u>Action:</u> 1) Acting as Redevelopment Agency Board of Directors, <u>Adopted</u> Resolution No. MHRA-246, Approving a Joint Exercise of Powers Agreement between the Redevelopment Agency and the City of Morgan Hill.

City Council:

<u>Action:</u> 2) Acting as City Council, <u>Adopted</u> Resolution No. 5729, Approving a Joint Exercise of Powers Agreement between the Redevelopment Agency and the City of Morgan Hill

21. JOINT SPECIAL AND REGULAR CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES OF OCTOBER 15, 2003. Action: Approved the minutes as submitted.

Redevelopment Agency Action

CONSENT CALENDAR:

22. GROUND LEASE FOR THE MORGAN HILL COURTHOUSE

Agency Counsel Leichter indicated that staff has been negotiating a ground lease for the County courthouse facility with the County of Santa Clara. She stated that they are under some deadlines in terms of their financing. She noted that the staff report before the Agency Board refers to the fact that if the ground lease is complete and further negotiations are not needed, staff would request approval of the ground lease. If not, staff would bring the lease back for Agency Board consideration on November 19. She stated that staff believes that negotiations are substantially complete. Staff is working on one item relating to the granting of permanent easements. However, staff believes that it has reached conceptual agreement with the County.

Director of Business Assistance and Housing Services Toy confirmed that there is one outstanding item. However, City staff and the County have agreed conceptually to this item and that the County just needs to revise the agreement to reflect this point.

Agency Counsel Leichter requested Agency Board approval of the ground lease for the Morgan Hill Court House with the following basic terms of the agreement: lease rate to be \$1 per year; the ground lease to have a 40-year term; the County is to operate the facility as a courthouse for the first 20-years and that for the remainder of the ground lease period, the County may operate a courthouse or County offices; incorporates language to allow for bond financing of the project; and that at the end of the lease, the property will be conveyed to the County. She stated that the City preferred that the ground lease

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exercise some control over the use of the property and ensure that it would be used for a courthouse or court related facility. She indicated that most of the terms were agreed to previously by the Agency Board in the DDA and a terms agreement that was executed between the directors of the respective agencies. She indicated that staff could return with the ground lease on November 19, 2003 should the Council prefer seeing the entire lease before approving it.

Action:

On a motion by Agency Member Sellers and seconded by Agency Member Tate, the Agency Board <u>Conceptually Approved</u> the Ground Lease; <u>Directing</u> Staff to Return with the Ground Lease on November 19, 2003.

City Council Action

PUBLIC HEARINGS:

23. <u>DEVELOPMENT AGREEMENT DA-03-05: DEWITT-MARRAD GROUP</u>

City Manager Tewes indicated that items 23 and 24 are public hearing items on a development agreement and zoning relating to the DeWitt-Marquez tentative map application. He noted that earlier this evening, the Council indicted its intent to hold a public hearing on the subdivision aspect of the project on December 3, 2003. It was his belief that it would be the Council's intent to open the public hearing at the appropriate time and defer the development agreement and zoning related applications to December 3 as well.

Planning Manager Rowe presented the staff report. He commended that the Council open the public hearing and continue this item to December 3, 2003 in order to consider it along with the related subdivision.

Mayor Kennedy opened the public hearing.

Cindy Bunch, Price Drive, informed the Council that she was planning to address the Council on December 3. She stated that the entire neighborhood along Price Drive, Price Court and John Telfer do not want the proposed road to connect as a through street into the neighborhood. The residents do not mind it going through as an emergency vehicle access road. She indicated that this is an issue that the neighbors have been trying to work out with the Planning Commission since 1996. The Planning Commission has asked the residents to work with the developer and come up with a compromise, indicating that a compromise had been reached with a cul-de-sac that was approved. However, through the Planning Commission and Department of Public Works, the cul-de-sac was denied with no explanation. She emphasized that the residents do not want the road as a through public street.

No further comments were offered.

Action: On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council unanimously (5-0) Continued the public hearing to December 3, 2003.

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24. <u>ZONING AMENDMENT, ZA-02-16; DEVELOPMENT AGREEMENT AMENDMENT, DAA-02-09: DEWITT-MARQUEZ.</u>

Planning Manager Rowe presented the staff report, recommending that the City Council continue the public hearing to December 3, 2003 in order to hear this item with the tentative map that was called up earlier this evening by the City Council.

Mayor Kennedy opened the public hearing. No comments were offered.

Action: On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council unanimously (5-0) Continued the Public Hearing to December 3, 2003.

City Council Action

OTHER BUSINESS:

25. <u>UPDATE OF THE RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (MEASURE P) – Resolution No. 5733</u>

Director of Community Development Bischoff presented the staff report on a proposed amendment to and extension of the City's Redevelopment Development Control System (RDCS), Measure P. He indicated that at the Council's October 1 meeting, the Council considered a summary of proposed changes by staff and Council Member Tate, Chair of the Committee that drafted the amendments to the initiative. At the October 1 meeting, the Council requested sections of the initiative be modified (e.g., consistent use of the terms "allotments" versus "allocation"; the growth rate to the initiative would allow 1.9% growth, assuming a compound growth, or approximately 2.2%, should a simple straight line growth rate be used; allows 230-250 homes to be built per year; as drafted by the committee suggested only a clarification of the appeals process, clarifying that what is being appealed is the scoring of the project; inclusion of modified language as listed in attachment 3 presented to the Council which would give the Council additional appeal authority, should the Council wish to do so; and 18.78.130.d. amended to reference project scoring). He informed the Council that on the dias, is a sheet of paper that identifies several amendments: 1) referencing project scoring instead of allotment evaluation; and 2) an expanded appeal authority to be granted by the Council. He indicated that exhibits A (map showing the area designated as open space in the general plan) and B (map showing the core area being proposed to be included in the initiative) were inadvertently not included as part of the initiative.

Mayor Kennedy noted that the core area stops on Dunne Avenue at the railroad at the southern end shown on Exhibit B. He inquired as to the reason that the core was not extended further to the south.

Mr. Bischoff said that there was a lot of discussion about the core area by the Measure P Update Committee. He indicated that the initiative proposes to eliminate the east/west split because projects generally score lower on the west side as there is less land available for development on the west side.

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Therefore, those projects receiving allocations are a way from the core at the northern and southern end of the community. The Committee felt that it would be beneficial to eliminate the east/west split and did not want to see sprawl development occurring throughout of the community, particularly seeing a lot of development on the east side of the freeway. The Committee included, within the initiative, a definition of the core area, drawing this area tightly around the downtown with a small extension to the south and north which generally follows the Monterey Road spine. Areas to the south were not included because the Committee wanted to focus development along the Monterey Road spine to the north and south of the downtown area. He informed the Council that also on the dias are two letters. The first letter is from the Downtown Association stating general support of the amendments, indicating that they wished that the amendments went further and that residential development be exempt within the downtown area. The second letter is from Matteoni Saxe and O'Laughlin, representing the Arcadia Development Company requesting that the Council continue this matter for two weeks to allow them additional time to put together their reasons why they believe that one amendment is warranted. The amendment would affect the Arcadia property that is located on the east side of Hill Road, north of Barrett Avenue. He indicated that Chris Taylor, the attorney who assisted the Committee in drafting the amendments to the initiative, was in attendance and available to answer questions the Council may have.

Mayor Kennedy stated that he knows an individual who owns property immediately across the Community and Cultural Center who is interested in a mixed use housing project on that site. He noted that the core area would exclude this property. He inquired whether it made sense to exclude this parcel from the core area.

Council Member Tate indicated that the update to Measure P recommends having a set aside for mixed use development that is independent from the downtown.

Council Member Carr said that in order to eliminate the east/west split, the Committee talked a lot about tighten up the core area in order to concentrate on infill development. He said that there was earlier discussion about tightening the core ever further. The Committee did not want to loose some of the opportunity sites along the Monterey Road spine.

Council Member Tate inquired how the appeal language was crafted that was included in attachment 3. He inquired whether this recommendation was based on the Council's previous meeting where it discussed the appeal process. He felt that there was a certain amount of vagueness and openness to the recommended language. He stated that he did not recall that the Council established the language at the last meeting.

Mr. Bischoff indicated that there was a lot of discussion at the Council meeting about appeals. He said that the minutes suggest that at least two council members expressed an interest in expanding the Council's ability to hear appeals to include appeals of scoring and of allocations. It was because of this discussion that staff drafted the supplemental appeal language for Council's review and consideration. He informed the Council that the language that would tighten up the appeal states that the Council could hear appeals but if the Council is going to modify scores or allocations, the Council would have to do so in a matter that is consistent with other parts of the initiative. Beyond this, staff spoke with outside counsel as to whether the appeal language should be even tighter and specify actual standards or identify

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an evaluation criterion. It was staff's belief that the Council does not want to make the language so tight that it does not afford the ability to respond to various circumstances. If the Council was to expand its appeal authority, it would be appropriate to adopt some policy language after the initiative passes that would set forth the standards or criteria by which the Council would evaluate appeals.

Council Member Tate stated that the words "after appropriate notice" are confusing to him and that he did not understand the entire sequencing of what is being suggested as part of the appeal process. It suggests to him that at anytime before the competition commences, someone can come forward and ask the Council to jump in. He said that there is no identification of sequencing or notion of when things are to occur and that this is of concern to him.

City Manager Tewes stated that staff was not recommended that the Council incorporate attachment 3 as part of the initiative, clarifying that staff drafted the language relating to appeals for Council consideration as some members of the City Council expressed interest in the appeal process. He indicated that Mr. Bischoff is prepared to go into more detail about the sequences should the Council so direct.

City Attorney Leichter informed the Council that there are two resolutions before it. The first resolution calls for the municipal election to be held and placing an initiative on the ballot. The second resolution directs her to prepare the impartial analysis and sets priorities for filing the written arguments. The second resolution suggests that the Council appoint Council members to file the written arguments for or against the measure as it has done in the past. She indicated that staff is seeking direction to this point. In addition, staff has provided Council with suggested ballot language. Staff has other suggestions that have come from various sources should the Council wish to clarify or add more language regarding the intention of the Measure P update. She requested Council direction as to the appropriate ballot language to fill in the blanks on the two resolutions.

Mayor Kennedy opened the floor to public comment.

Ralph Lyle, speaking as a private citizen, indicated that he sent all Council members a letter that addressed some of his concerns. He stated that he had concerns with the Measure P update as it came out of the Committee as the update contained potential problems. He was eventually able to rationalize that there was more good than bad in the rationalizing process. However, when he saw the language and heard Council discussion at the last meeting to include the appeal of the allotment process, it swayed his position. He now views that there is more bad in the measure than there is good. He indicated that the Committee did not address this issue but dealt with the notion that the Planning Commission had not been following the language of Measure P. It was suggested, and was adopted by the Committee, that the allotment process varies somewhat from the very strict interpretation of the language contained in the prior measure. He stated that this was done primarily for ongoing projects. He felt that with these changes, there is too complete a transformation and change in philosophy from the prior Measures. He noted that the suggested appeal process modification was not approved by the Committee and stated that he could no longer support the Measure P update initiative.

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Dick Oliver stated that at the last Council meeting he thought there was extensive discussion about the provisions of attachment 3. It was his specific understanding that there would not be an attempt to change Measure P to allow the Council to either change allotments or fuss with the allotment. He felt that this was a consensus of the Council and a direction to staff. He indicated that he did not receive attachment 3 until this evening. He felt that it would be a mistake for the Council to amend the appeal process. He indicated that he has applied under Measure E and P since 1989. He has made appeals, received allotments, and has had competitions where he received no allotments. He has also appealed and not received allotments. He felt that the system has worked fairly well and stands for what is best for the community. Should the Council politicize the Measure P process, the Council would place itself in a situation where the planning commission would be of no use because every project will have to appeal with all appeals being heard new. The Council would not have the benefit of all the process that took place prior to the appeal hearings. He did not believe that there has been an abuse of discretion by the planning commission on the results received. He felt that the City would be stepping backwards in time should the Council hear appeals on every project at every Measure P competition. He strongly suggested that the Council not go down this road.

Rocke Garcia indicated that he was not on the Measure P update committee but concurred with many of the decisions that they made. He agreed with Mr. Oliver and Mr. Lyle that the Council would politicize Measure P by allowing the appeals to go per attachment 3. He has participated in Measure E and P as long as Mr. Oliver has and he guarantees that everyone who participates in Measure P will appeal, no matter their point ranking because the RDCS process will become politicized. It will take Council time and will be necessary for developers to protect what it has. He stated his disagreement with the elimination of the east-west split as it would create concentration of housing in one close area versus spreading development throughout the community. It was his belief that this would also result in one type of housing product.

Bradley Matteoni, Matteoni Saxe and O'Laughlin, informed the Council that she represents Arcadia Development who owns an 80-acre parcel zoned residential at the northeast corner of Hill Road and Barrett Avenue. She indicated that this property was added to the urban service area between March 1 and December 8, 1990. She stated that Mr. Hectman, from her law firm, sent the Council a letter requesting that the Council continue this matter for 1 week as her firm was only retained last week. As an alterative, she requested that the last sentence contained if the last paragraph of Section 2.f (page 344) and 345 of the agenda packet) be deleted that reads: "... Therefore, any land added to the urban service area between March 1, 1990 and the effective date of Measure P, December 8, 1990 and not considered infill, as defined above, the City shall not provide urban services to support any development at a higher density than that provided for in the Santa Clara County general plan as of March 1, 1990." She indicated that Arcadia Development is the only property owner who came into the City's urban service area between March 1 and December 8, 1990. Therefore, it is the only property owner who has property zoned residentially who is precluded from participating in the Measure P allotment process. As an alternative, she recommended that the language be changed to stipulate that any land added to the urban service area after the effective date of Measure P be excluded from the allotment process. She indicated that Arcadia is asking for a fair opportunity to participate in the Measure P allotment process and that they are not asking that more dwelling units be added or for preferential treatment.

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City Attorney Leichter indicated that she had the opportunity to speak with Mr. Hectman this afternoon. She stated that she asked Mr. Hectman whether he had any legal basis for his assertion that this language should be stricken. Mr. Hectman responded that he has not yet had the opportunity to review the matter in detail. She requested that Ms. Matteoni ask that Mr. Hectman put in writing the legal basis for the request to amend Section 2.f other than to simply request, based on fairness, to have the language stricken. Having this information in advance of the meeting will allow staff to be prepared to respond.

Randall Curtis indicated that the Measure P Update Committee decided to stand firm in retaining Section 2.f in Measure P. It was agreed that Arcadia already violated the spirit of proposition P and built more than the allowed units at the upper corner of the property. He stated that Arcadia's property was not the only property that was affected by Measure P. He said that it was the only property that went ahead and tried to violate the law and apply for allotments. He said that this provision was included in Measure P to keep people who knew about the proposition before it went into affect from applying ahead of time to beat the gun. He said that other property owners could have applied for allotments but that they followed the spirit of proposition P and did not apply. He felt that nothing but special favors have been granted to Arcadia. He did not believe that Arcadia requires an additional two weeks to respond. He noted that Arcadia already sued the City once and lost. If allowed to sue again, he felt that they would loose again. He indicated that he has circulated a petition signed by 100 individuals that want to have this language remain in Measure P. If deleted, there would be several hundred voters in opposition to the RDCS update where he would like to vote with the RDCS update. He indicated that Mr. Oliver represented Arcadia, noting that Mr. Oliver agreed to retain the language via a letter by Arcadia. He requested that the Council not approve special favors for Arcadia and not have individuals fighting against the RDCS for this one issue.

No further comments were offered.

Council Member Carr felt that the issue of the appeals process was an outstanding issue. He indicated that the appeal process was not something that the Measure P Update Committee took a look at changing. The Committee looked at things that would improve Measure P and not to change things that are working. He said that the Council may be in a different position from the Committee in terms of how the appeals should be handled. The way the draft appeal language is written is different from what the Committee envisioned in its final product. He felt that the Council should spend time discussing the appeal process and determine whether this is a road that it wants to take as the Council would be making a change from where the Committee was at the end of their work/charge.

Council Member Tate stated that the City had a great group that worked on the Measure P update. This was a Committee that represented every view point in the community. He noted that growth in the community has always been a topic of debate and differences of opinion. To come to a consensus as the group did meant that everyone in the group gave up certain things. He said that the Committee came together and were able to reach consensus, understanding that everyone did not get what they wanted. He did not believe that any Committee member could state that they stood solidly behind and in support of every issue, but that the total product was something that the entire Committee ended up being able to support. He said that he and Council Member Carr are defensive of the consensus that was built over a long period of time through lengthy Committee discussions. He could not support items that the

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Committee did not address that and are being considered at this point in time. He said that it was his recollection of what the Council discussed at the October meeting was an adjustment to the appeal process so that the Council can have appeals come before it earlier. He did not recollect that the Council agreed to change allocations as opposed to points. He stated that the vagueness of the language being proposed does what Mr. Garcia and Mr. Oliver both pointed out; it politicizes the appeal process. He stated that his faith and support of the Planning Commission as this Council asks more of them than other cities ask of their planning commissions. The Council has asked that they administrate and oversee the entire Measure P process and felt that they do an extremely good job. Should the Council approve the proposed appeal language; the Council will be busy November through March every year as the Council would be wrapped up in the Measure P process. He did not believe that the Council would be able to participate in the appeal process unless it follows the process all the way through.

Mayor Pro Tempore Chang indicated that she did not participate in the appeal process this year because she resides adjacent to a project that was proposed for development. She requested that staff explain the appeal process.

Mr. Bischoff indicated that over the past 12-13 years, there have been 7-years of appeals made to the Council. In all but one of these years, the Council affirmed the decision made by the Planning Commission. This year, applicants felt that their projects were not properly scored and were entitled to additional points under certain categories. The Council evaluated the projects and looked at the score. The Council increased the score for one project, noting that it did not have an effect on the allocation.

Planning Manager Rowe clarified that the Council adjusted the point score of the Dempsey project, but that it did not change the standing of the next in line project.

Mayor Kennedy said that this year's appeal process, it appeared as though the Council had no authority on the appeal. The Council simply sent the appeals back to the Planning Commission.

Mr. Bischoff stated that the Council has the authority to hear appeals of scoring and has the ability to change the scoring of projects. He said that there is noting in the initiative before the Council that would change this.

Mayor Kennedy indicated that a concern was expressed that a proposed appeal amendment would give the Council the authority to change the allotments. He said that as he looks at the language contained in Section 18.78.130(d), appeal procedures, the allotment evaluation is stricken. He said that the revision presented this evening states that "The Council may affirm or modify the project's scoring and its decision shall be final and conclusive."

Mr. Lyle said that the RDCS process is supposed to be a two step process: 1) scoring; and 2) the allotment process. He said that there were an unusual set of circumstances this past year where the two processes rapped together, causing some of the problem. He clarified that the normal process would be that applications are reviewed by the Planning Commission and scored. It goes to the City Council for review with the Council making the appropriate changes. The Council refers the appeals back to staff or the Planning Commission for additional evaluation. The scores are then adjusted and the allotments are

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made. He stated that the allotments, once awarded, are not appealable. The problem encountered this year was the fact that the two processes got rolled into one process. The Planning Commission made a provisional award of allotments on the assumption that the ranking of projects would not change due to the fact that the process was delayed. Therefore, the Planning Commission did not in fact award the allotments. However, in the future, the two steps should be taken. He said that one thing that this initiative does is reduces the appeal period from 30 days to 15 days so that the process does not get extended out as much.

Mayor Pro Tempore Chang stated that she sometimes has problems with the Planning Commission granting 2nd and/or 3rd year allotments.

Mr. Lyle said that under the proposed measure, the Council will have the right to say yes or no to the third year allotment. The proposed appeal language before the Council states that the Planning Commission awards the allotments but that the Council still controls the 2nd and 3rd year allocations.

Council Member Carr noted that each year, a Measure P subcommittee is established to look at ways to improve the Measure P process. The Council than adopts the standards of a particular competition and that it has the ability to establish set asides every year. He said that when the Council talks about these, the Council needs to place a greater emphasis on this so that the Council sets up the ground work for the competition in advance. Therefore, everyone will understand the ground rules in advance. This would allow everyone to play by the same ground rules all the way through the process. He felt that a greater emphasis should be placed on this and that the Council needs to be more involved at the front end. He felt that in past years, the Council has given up its ability to be involved in the beginning of the process. He felt that the Council needs to be more involved so that there is less opportunity for problems at the back end of the process.

Mr. Lyle said that the Council needs to provide guidance to the Planning Commission on what it wants it to do with set asides. The Council needs to be proactive for the set asides as the Council has the ultimate say on these.

Council Member Sellers felt that the latitude at the front end would help as the Council is expanding the different types of housing with set asides for projects that may be desirable but may not be attainable under Measure P. He stated that he would like the Council to state that there will be a designated number of set asides for a certain type of project at the front end of the process. He felt that the Council needs to support the consensus of the Committee but that Council members are still obligated, as elected officials, to vote their conscience. He did not see any reason to go against the consensus of the Committee provided that the Council has the latitude for set asides as it appears that this was built in at the front end of the process. This would allow the Council to have input in the process without politicizing it at the back end and extending the process out.

Council Member Tate noted that every year, the Planning Commission and developers get together and look at the criteria, returning to the Council with recommended updates. The Council receives a staff report on where the City will be heading in the next competition. He felt that the Council needs to be

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included in the process to make sure that the Council walks through all of the set asides and other issues, carefully reviewing the criteria updates. He recommended a process approach be taken every year.

Council Member Carr suggested that the Council find a way to start this process earlier in the cycle of the competition so that when the City ends up with changes to the criteria, it is done at an early point. This will allow individuals who are interested in participating in the competition to understand the criteria and would have a significant amount of time to work with criteria as they develop their proposals. He said that there have been complaints that the length of the process generates old products. If the Council can provide enough opportunity to get the criteria to individuals, developers would have more time to build creativity into their projects.

Mayor Pro Tempore Chang felt that the Council should have the right to have the final say in terms of distribution of allotments. The Council should be allowed to look at the housing mix and state whether the Planning Commission's decision was right or wrong.

Council Member Tate indicated that he was involved in the drafting of Measure P as was Mr. Lyle because they felt that the Council should not have the final say on the distribution of allotments. It should be a process where the Council gets involved in the points and that the allocations would be distributed based on how the process dictates.

Council Member Sellers felt that based on the discussions this evening, the Council has the ultimate say. Next March, the voters will have the ultimate say on how the appeal process will be set up. However, if the Council has the structure in place it, can identify the criteria to be established in any given year at the front end. He agreed that the Council should be more involved in the front end of the process and felt that this update would encourage the Council to do so with the set asides.

Mayor Kennedy inquired as to the process the Council wants to follow to incorporate any changes that have come out of the public comments presented this evening, particularly the issue of allotments and the issue raised by Ms. Matteoni regarding the Barrett-Hill property.

Council Member Tate noted that the City has been under the Measure P update review process for well over 1½ years. He did not understand why all of a sudden Arcadia is asking for a delay when they have had more than 1½ years to be involved and provide their input in the Measure P update process. He did not want to see Council action delayed because of this. He did not believe that the suggested changes as listed in attachment 3 were required or needed. Should the Council concur, he felt that the Council could move forward this evening.

Council Member Sellers said that whenever a new issue is raised at the last minute and the Council has the opportunity to take another look at the issue, the Council takes the opportunity to delay its consideration of the issue. He inquired whether the Council was interested in delaying actions for two weeks for the one item.

City Attorney Leichter said that what she heard Ms. Matteoni raise this evening and what Mr. Hectman raised in his letter is that they are making their argument on the grounds of fairness as Arcadia was the

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only property affected by the initiative. She indicated that she has not seen or heard any legal grounds that would preclude the Council from moving forward this evening. However, should legal grounds be produced in the next two weeks, staff can bring them back to the Council.

Mr. Bischoff said that should the Council be interested in whatever legal arguments the Arcadia representative may have, staff would recommend that the Council defer action for two weeks.

Council Member Carr stated that he sat through all of the Committee meetings and that the Committee went round and around on this issue. He said that this is not the first time that he has heard this particular issue.

Mayor Pro Tempore Chang inquired what would happen to the process should Arcadia raise a valid legal argument.

City Attorney Leichter responded that it would complicate the process. If the Council anticipates legal arguments from Arcadia that it wishes to consider, she recommended that the Council defer the matter for two weeks. The Council can give tentative indication of the direction it plans to take this evening.

Mayor Kennedy felt that it was important that the City receive broad community support for the amendment to Measure P and that it move forward. He stated that he was open to accepting some of the suggestions that have been made, particularly relating to the scoring and the appeal process as long as the Council has the ability to not repeat the same problem experienced with appeals this year. He would be open to going back to the original language that the Committee approved. He stated that he would favor given the attorneys and the City its best shot at getting voter approval of the RDCS update, taking additional time to have the attorneys present their case to minimize the risk of lawsuits and disruption of the process. He stated that he would support continuing the action for the time recommended. He agreed to provide a conditional approval based on final resolution of the Arcadia issue.

Mr. Bischoff said that he hears the Council stating its intent to approve the initiative as included in the packet this evening, without attachment 3. However, the formal action to be taken this evening would be to continue the matter for two weeks.

City Attorney Leichter requested that the Council direct the attorneys for Arcadia to submit any legal arguments a week from tomorrow. She stated that it is difficult for staff to have adequate time to respond when it receives letters a day before the hearing. She also requested Council direction on the ballot language it would like to include.

Ms. Matteoni indicated that Ms. Leichter's request was doable.

Action: On a motion by Council Member Tate and seconded by Council Member Carr, the City Council unanimously (5-0) Adopted Resolution No. 5733, Approving the Negative Declaration.

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Action:

On a motion by Mayor Pro Tempore Chang and seconded by Council Member Sellers, the City Council, on a 4-1 vote with Council Member Tate voting no, <u>Continued</u> actions 4, 5 and 6 to November 19, 2003.

Council Member Sellers felt that overall the ballot language was sound as it makes sense to consider changing downtown development. He said that the initiative is not specifically about the downtown as there are other things that the City would like to do that are adjacent to the downtown or located in other areas. He did not believe that the word "centric" in the ballot language was the right one to use. He noted that the second bullet point uses the term "sustainable." He felt that "a more sustainable transit oriented development" might be closer to the language that should be included as this would achieve the goal, states the intent, and would meet with greatest voter approval. He did not believe that "discouraging sprawl" needs to be mentioned as it is implied. He felt that it would be helpful to include a preamble statement/history of the residential development control system.

Council Member Tate stated that he liked Council Member Sellers suggestion of a "sustainable transit oriented development." He indicated that he was trying to avoid the term "smart growth" but that this is what the Council really means.

Mayor Kennedy stated his support of the inclusion of a preamble.

City Attorney Leichter said that it was her understanding that staff is to change "downtown development" to a "sustainable transient oriented development" and the inclusion of a preamble statement.

Mayor Pro Tempore Chang inquired whether the initiative should include the population ceiling of 48,000. In reading the initiative, it does not give her the sense that the City is controlling growth but that it is increasing the ceiling base. She recommended that instead of using the term "increase" that it be stated "to keep the population ceiling at 48,000."

Mr. Bischoff said that the 48,000 is the number identified in the general plan. He said that language was intended to be consistent with the general plan.

Council Member Tate noted that the initiative states "...that for the year 2020 consistent with the 2001 general plan." He agreed with Mayor Pro Tempore Chang's comment but felt that this was the basis for this initiative. He concurred with amending the language to state "establishing the population ceiling of 48,000."

Mr. Bischoff indicated that the Council could add language that suggests that this is a rate of growth that is consistent with Measure P; conveying that this is not a growth rate that is any greater, and is in fact somewhat less than envisioned by Measure P.

Mayor Kennedy did not believe that there is a way to get around the 48,000 number. He noted that staff would return in two weeks with specific language.

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26. <u>APPEAL APPLICATION, AP-03-06: JARVIS-ANRITSU</u>.

Planning Manager Rowe presented the staff report. He recommended that this item be continued to November 19 as the appeal on the conditional use permit requires a notice of public hearing.

Mayor Kennedy opened the floor to public comment. No comments were offered.

Council Member Carr inquired whether the appellant were agreeable to the continuance as they informed him earlier this week that they were not.

Mr. Rowe indicated that the applicant, Four Square Church, would like the matter to be delayed until such time that it can be considered along with the second appeal application filed by Venture Corporation, appealing the question of whether the use permit should have been granted. He said that Anritsu Corporation filed the appeal on the condition that affects their property that requires the recording of an access and parking agreement. Anritsu was not questioning the basic issue of whether or not the use permit should have been granted but one portion of the use permit that relates to a specific condition that would impact their property.

City Attorney Leichter indicated that it was her belief that Venture Corporation is requesting that their appeal be heard on December 3 as their attorney is not able to attend the November 19 meeting.

Mr. Rowe informed the Council that staff has noticed this appeal hearing for November 19. Should the Council wish to consider this matter along with the more fundamental appeal question of the use permit itself, staff would recommend that this appeal be continued from November 19 to December 3.

Council Member Tate stated that should the Council consider the appeals separately, the Council would be piecemealing the appeal process and not hearing the whole story, spending more time than it needs to in the appeal process.

Council Member Carr said that Anritsu representatives reached out to him earlier this week, indicating that they did not want to continue this item and requested that their appeal be heard this evening. He noted that the Anritsu representatives were not in attendance this evening.

City Manager Tewes indicated that staff advised the applicant that the appeal hearing was not properly noticed. Not withstanding their wishes, the appeal could not be heard this evening in any event.

Action: On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council unanimously (5-0) Continued this item to November 19, 2003.

27. <u>HEARING FOR EXEMPTION TO UNDERGROUNDING UTILITIES – 60 AND 70 BISCEGLIA AVENUE</u>

Director of Public Works Ashcraft presented the staff report. He informed the Council that the property owner would pay in lieu fees instead of undergrounding the utilities at this time.

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Mayor Kennedy opened the floor to public comment. No comments were offered.

Action:

On a motion by Council Member Tate and seconded by Council Member Carr, the City Council unanimously (5-0) <u>Granted Exemption</u> to the Requirement to Underground Utilities with Payment in Lieu Fees for the Proposed Development at 60 and 70 Bisceglia Avenue.

28. <u>HEARING FOR EXEMPTION TO UNDERGROUNDING OF UTILITIES – 16720</u> <u>MONTEREY ROAD</u>

Director of Public Works Ashcraft presented the staff report.

Mayor Kennedy opened the floor to public comment. No comments were offered.

Action:

On a motion by Council Member Tate and seconded by Council Member Carr, the City Council unanimously (5-0) <u>Granted Exemption</u> to the Requirement to Underground Utilities with Payment in Lieu Fees for the Proposed Development at 16270 Monterey Road.

29. APPROVAL OF COUNCIL POLICY GOVERNING EX PARTE CONTACTS

City Attorney Leichter presented the staff report, indicating that many agencies have policies governing ex parte contacts between officials and applicants/developers who have matters pending before the official. She indicated that a policy is being suggested because staff has noticed that a number of applicants have been repeatingly requesting meetings with Council members, lobbying Council members for serving interests. The policy would govern these contacts so that they are regulated and that the due process rights of the applicants and others are not violated. She indicated that the policy provides a definition of when the policy would apply (e.g., when there is a quasi judicial matter pending before the Council or a subordinate agency). The policy states that the Council may discuss with any member of the public or listen to discussions about the facts on any matter that is pending before the Council if the guidelines are followed. She stated that discussions and the content of the discussions germane to the Council's decision are to be disclosed before public comment is taken at the public hearing on the matter. She indicated that the policy also addresses the issue of attendance at other subordinate bodies such as the planning commission who are hearing matters that may come before the Council. Council Members can attend such meetings but that Council members should not participate in such meetings because the matter will eventually be brought to the Council. The policy also states that the Council can visit sites and properties that are the subject of matters coming before the Council as long as this fact is disclosed and is germane to the decision making process for the record at the hearing. She indicated that the Planning Commission has been good about routinely divulging ex parte contacts where each member states that they met with individuals or visited the site, disclosing their observations for the record. She said that the Council recently adopted a policy governing public hearing and that it could be amended to include a step for divulging ex parte contacts before the Council receives public testimony.

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Mayor Kennedy stated that it would be helpful if staff added a statement on the agenda packet to remind the Council to divulge ex parte contacts for public hearings or quasi judicial actions that come before the Council.

Action: On a motion by Council Member Sellers and seconded by Council Member Tate, the City

Council unanimously (5-0) Approved City Council Policy No. 03-02 Regarding Ex Parte

Contacts.

FUTURE COUNCIL-INITIATED AGENDA ITEMS

No items were identified.

ADJOURNMENT

There being no further business, Mayor/Chairman Kennedy adjourned the meeting at 9:06 p.m.

MINUTES RECORDED AND PREPARED BY:

IRMA TORREZ, CITY CLERK/AGENCY SECRETARY



CITY COUNCIL STAFF REPORT MEETING DATE: November 10, 200

MEETING DATE: November 19, 2003

APPEAL APPLICATION, AP-03-06: JARVIS - ANRITSU

RECOMMENDED ACTIONS:

- 1. Open/close Public Hearing
- 2A. Adopt Resolution to deny appeal OR
- 2B. Continue to December 3rd Meeting

Agend	la Item # 18
Prepa	red By:
Associ	iate Planner
Appro	oved By:
CDD	Director
Subm	itted By:
City N	Manager

EXECUTIVE SUMMARY: Anritsu U.S. Holding, Inc. is appealing a condition that was placed on the approval of use permit application, UP-03-07: Jarvis – Generations Foursquare Church.

On September 23, 2003, the Planning Commission approved a conditional use permit to allow a church facility to be located in the Morgan Hill Ranch Business Park, subject to the recordation of shared access and parking agreements for off-site parking. This requirement is the specific action being appealed by Anritsu.

This item was continued from the November 5 Council meeting due to public noticing requirements. A copy of the November 5 staff report is attached for the Council's reference. It should be noted that the City also received a Notice of Appeal from Venture Corporation, the Morgan Hill Ranch Business Park developer. Venture Corporation is appealing the Planning Commission's approval of the conditional use permit.

At the November 5 Council meeting, the Council was advised that both the Anritsu and Venture Corporation appeals need to be heard at the same meeting. Furthermore, the Venture Corporation appeal would need to be heard first, as it addresses the more fundamental question of whether a church should be allowed in the business park. If the Council grants Venture Corporation's appeal and overturns the conditional use permit approval, then the appeal filed by Anritsu would no longer be necessary. Both appeal applications have been scheduled for the November 19 Council meeting. However, Venture Corporation has requested to delay their appeal hearing to December 3 in order to have legal representation present at the meeting. Should the Council choose to grant Venture Corporation's request, Staff recommends that the Anritsu appeal be continued to the same meeting date.

Please note that a copy of the September 23 Commission report and minutes is attached to the Council report for appeal application, AP-03-05: Jarvis – Morgan Hill Development Partners.

FISCAL IMPACT: None. Filing fees were paid to the City to cover the cost of processing this application.

RESOLUTION NO. (Deny Appeal)

- A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL DENYING APPEAL APPLICATION AP-03-06: JARVIS ANRITSU AND UPHOLDING THE PLANNING COMMISSION'S CONDITION REQUIRING THE RECORDATION OF SHARED PARKING AGREEMENTS FOR USE PERMIT, UP-03-07: JARVIS GENERATIONS FOURSQUARE CHURCH (APNs 726-32-011 & -014)
- **WHEREAS**, on July 3, 2003, the City received a use permit application for a church facility (Generations Foursquare Church) proposed to be located in the Morgan Hill Ranch Business Park; and
- **WHEREAS**, sufficient parking for the church as required by the Zoning Code was not available on the subject site; and
- **WHEREAS**, the church secured shared parking agreements granting Generations Foursquare Church use of the parking facilities on an adjacent property; and
- WHEREAS, the shared parking agreements provided the church with the additional parking needed to meet city standards; and
- WHEREAS, the shared parking agreements were not recorded and could be terminated at anytime; and
- **WHEREAS**, on September 23, 2003, the Planning Commission approved conditional use permit application, UP-03-07: Jarvis Generations Foursquare Church; and
- **WHEREAS**, as a condition of the use permit approval, the Commission required that the shared parking agreements be recorded against the property(ies) providing off-site parking; and
- **WHEREAS**, on October 3, 2003, Anritsu U.S. Holding, Inc. filed a Notice of Appeal with the City, appealing the condition requiring the recordation of the shared parking agreements for the Generations Foursquare Church; and
- **WHEREAS**, such request was considered by the City Council at their regular meeting of November 5, 2003, and continued to November 19, 2003, at which time the City Council denied appeal application, AP-03-06: Jarvis Anritsu; and
- **WHEREAS**, testimony received at a duly-noticed public hearing, along with exhibits and drawings and other materials have been considered in the review process.

NOW, THEREFORE, THE MORGAN HILL CITY COUNCIL DOES RESOLVE AS FOLLOWS:

- **SECTION 1.** The approved project is consistent with the Zoning Ordinance and the General Plan.
- **SECTION 2.** An environmental initial study has been prepared for this application, and has been found complete, correct and in substantial compliance with the requirements of the California Environmental Quality Act. A mitigated Negative Declaration will be filed.
- **SECTION 3.** The approved conditional use has been found consistent with the criteria for use permit approval contained in Section 18.54.050 of the Zoning Code.
- **SECTION 4.** Off-site parking secured through shared parking agreements is required for Generations Foursquare Church to meet minimum parking standards of the City of Morgan Hill. The existing shared parking agreements with Anritsu and its tenants are not recorded and could be terminated at anytime. The recordation of the shared parking agreements is the only mechanism to ensure the long-term availability of off-site parking and compliance with City parking standards.
- **SECTION 5.** An existing church located in an industrial area of the City of Morgan Hill (Church on the Rock) was not required to record their shared parking agreement for off-site parking. This action does not establish a precedent of not requiring the recordation of shared parking agreements for church facilities. The Church on the Rock occupies a considerably smaller facility and requires fewer off-site parking.
- **SECTION 6.** The City Council hereby upholds the Planning Commission's condition requiring the recordation of shared parking agreements for the Generations Foursquare Church.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 19th Day of November, 2003, by the following vote.

AYES: COUNCIL MEMBERS: NOES: COUNCIL MEMBERS: ABSTAIN: COUNCIL MEMBERS: COUNCIL MEMBERS:

***** CERTIFICATION *****

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No., adopted by the City Council at a Regular Meeting held on November 19, 2003.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE:	
	IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: November 19, 2003

APPEAL APPLICATION, AP-03-05: JARVIS – MORGAN HILL DEVELOPMENT PARTNERS

RECOMMENDED ACTIONS:

- 1. Open/close Public Hearing
- 2A. Deny Appeal and Direct Staff to Prepare Resolution with Findings for Adoption at December 3rd Meeting
- 2B. Continue to December 3rd Meeting

Agenda Item # 19
Prepared By:
Associate Planner
Approved By:
CDD Director
Submitted By:

EXECUTIVE SUMMARY: The Morgan Hill Development Partners (Venture Corp) is appealing the Planning Commission's approval of use permit application, UP-03-07: Jarvis – Generations Foursquare Church, allowing a church use in a ML, Light Industrial Zoning District.

On September 23, 2003, the Commission approved a conditional use permit allowing a church use to occupy an existing building in the Morgan Hill Ranch Business Park. Venture Corp is appealing the Commission's decision based on claims that the approval was not based on substantial evidence in the record and that the environmental document is inadequate (please refer to the attached Notice of Appeal). Venture Corp requests that the Council grant their appeal and deny the use permit approval. For the Council's reference, a copy of the September 23 Commission staff report and minutes is attached to this report.

Staff has reviewed the Notice of Appeal and does not feel it provides sufficient grounds for denying the use permit approval. A detailed response to each item is provided in Attachment B of this report. For the reasons described in Attachment B, Staff recommends that the Council: 1) uphold the Commission's approval of use permit application, UP-03-07: Jarvis – Generations Foursquare Church, and 2) direct Staff to prepare an appropriate Resolution with findings for adoption at the December 3 Council meeting.

It should be noted that the City received a second appeal application from Anritsu U.S. Holding, Inc. (Anritsu). Anritsu is appealing a condition of the use permit approval requiring the recordation of shared access and parking agreements for off-site parking. At the November 5 Council meeting, the Council was advised that both the Venture Corp and Anritsu appeals need to be heard at the same meeting. Furthermore, the Venture Corp appeal would need to be heard first, as it addresses the more fundamental question of whether a church should be allowed in the business park. If the Council grants Venture Corp's appeal and overturns the conditional use permit approval, then the appeal filed by Anritsu would no longer be necessary. Both appeal applications have been scheduled for the November 19 Council meeting. However, Venture Corp has requested to delay their appeal hearing to December 3 in order to have legal representation present at the meeting (please refer to attached letter of request). Should the Council choose to grant Venture Corp's request, both the Venture Corp and Anritsu appeals would need to be moved to the same meeting date.

FISCAL IMPACT: None. Filing fees were paid to the City to cover the cost of processing this application.



MEMORANDUM

To: PLANNING COMMISSION

Date: November 19, 2003

From: COMMUNITY DEVELOPMENT DEPARTMENT

Subject: ATTACHMENT B – Staff Response to Venture Corporation Notice of

Appeal

INTRODUCTION

The following discussion is provided in a comment/response format. The text identified in bold lettering represents the specific grounds for Venture Corporation's appeal. Following each item is a brief Staff response.

SPECIFIC GROUNDS OF THE APPEAL

1. The Planning Commission found that the Project was consistent with the Zoning Ordinance and the General Plan.

Religious institutions are identified as conditional uses in the ML, Light Industrial Zoning District. The Planning Commission reviewed the proposed religious institutional use, and determined the use to be consistent with the criteria required for use permit approval as outlined in Section 18.54.050 of the Zoning Code. Therefore, the proposed use is consistent with the Zoning Ordinance and General Plan.

2. The Planning Commission found that the Project was compatible with the surrounding industrial business park uses.

The conditional use permit allows a religious institution to occupy an existing building in the Morgan Hill Ranch Business Park. The subject site is surrounded by light industrial development to the west and south, Highway 101 to the east, and a vacant parcel zoned for light industrial development to the north. Gold's Gym, a commercial recreational use, is located directly to the south under an existing conditional use permit.

Based on the applicant's Statement of Proposed Operations, the most intensive activities associated with the religious institutional use will occur during the evenings and weekends. As

identified on the Project Activity Schedule (attached to the September 23 Commission report), only limited activities are proposed during the hours of 8am to 6pm, which are the typical operating hours for the surrounding business park uses. In addition, all church-related activities are proposed to be conducted indoors, with the exception of an outdoor youth patio and tot lot proposed along the north side of the building. These outdoor areas will be screened by a minimum five-ft solid wall in order to minimize potential compatibility impacts with the adjacent lot to the north. Design of the solid screening will be reviewed and approved by the Architectural Review Board during the architectural and site review process.

As the proposed church facility would be occupied primarily on weekends and evenings which are typically non-business hours for a majority of the surrounding business park area, and a screen wall will be provided around the proposed outdoor uses, Staff feels the proposed church use would be compatible with the surrounding industrial uses.

3. The Planning Commission found that the Mitigated Negative Declaration for the Project was adequate.

For a detailed discussion regarding the Mitigated Negative Declaration, please refer to Item 7, below.

4. The Planning Commission found that the Project's traffic impacts would not have a substantial adverse effect on traffic circulation or the planned capacity of the street system.

Based on the size of the building, a typical light industrial use would generate 36 trips during the P.M. peak hours of 4pm to 6pm. The proposed use is anticipated to generate up to 95 trips during the P.M. peak hours. These project-generated trips, however, are based on the upper range of participation anticipated at full capacity of the proposed church activities. Based on the current membership level and participation at the existing facility in San Jose, the number of P.M. peak hour trips would be reduced to approximately 70 vehicle trips. Although the proposed use would generate more trips than a typical light industrial use, Jarvis Drive and the surrounding roadways are designed to accommodate full buildout of the business park. The additional vehicle trips could be accommodated by the existing street system and would not have an adverse effect on traffic circulation. It should also be noted that the number of project-generated trips would not exceed the Congestion Management Plan threshold of 100 P.M. peak hour trips. Therefore, no further traffic analysis was required.

5. The Planning Commission found that the Project's parking impact could be mitigated with shared parking agreements.

Sufficient parking for the church (as required by the Zoning Code) was not available on the subject site. Therefore, the church secured agreements with the tenants and property owner of the parcel to the south for shared parking. The adjacent parcel is owned by Anritsu and the tenants include Gold's Gym and USI Manufacturing. The shared parking agreements provide the church with the additional parking needed to meet city parking standards. As a condition of the use permit approval, the Commission required that the shared parking agreements be

recorded against the property(ies) providing the off-site parking. This condition will ensure the long-term availability of parking for the church. Therefore, parking impacts are not anticipated.

6. The Planning Commission failed to analyze the impact of the Project on Morgan Hill Ranch's existing land use rights and entitlements.

According to Venture Corporation, the Covenants, Conditions & Restrictions (CC&Rs) for the Morgan Hill Ranch Business Park require approval from both the City of Morgan Hill and Venture Corporation for the proposed use. Venture Corporation has expressed their opposition to the proposed use, and therefore, does not feel the City has the authority to approve the project. At the September 23 Commission meeting, Staff informed the Commission that the CC&Rs are a private agreement between Venture Corporation and the property owners. The City is not a party to the CC&Rs, and therefore, not subject to its limitations.

7. The Mitigated Negative Declaration is inadequate:

(a) The Project's compatibility with existing land use in the surrounding vicinity, specifically that the City deferred to the Planning Commission to analyze and mitigate the Project's land use compatibility impacts.

When evaluating conditional use permit applications, the Zoning Code requires the Planning Commission to make a determination whether or not a proposed use would be compatible with the surrounding environment. As part of the review process, mitigation measures could be imposed to minimize potential compatibility impacts. The proposed religious institution is identified as a conditional use in the ML, Light Industrial Zoning District. Therefore, the Commission is required by the Zoning Code to make the determination regarding its compatibility with the surrounding uses.

(b) The Project's traffic impacts and deferred mitigation measures for such impacts.

Based on the type and intensity of the activities proposed on-site, up to 95 P.M. peak hour trips are anticipated to be generated by the proposed use. These project-generated trips, however, are based on the upper range of participation anticipated at full capacity of the proposed church activities. Although the proposed use would generate more trips than a typical light industrial use, the additional vehicle trips could be accommodated by the existing street system and would not have an adverse effect on traffic circulation. It should also be noted that the number of project-generated trips would not exceed the Congestion Management Plan threshold of 100 P.M. peak hour trips. Therefore, no further traffic analysis was required.

As a pro-active measure, the City included a mitigation measure in the Mitigated Negative Declaration requiring the preparation of a traffic analysis should any intensification of the uses result in greater than 100 vehicle trips during the P.M. peak hours of 4pm to 7pm. Such intensification would also require approval of a conditional use permit amendment. The applicant currently does not propose to intensify the church uses in the foreseeable future which would result in more than 100 vehicle trips during the P.M. peak hours.

Therefore, mitigation for potential traffic impacts was not deferred as part of the project environmental assessment.

(c) The Project's parking impacts and deferred mitigation for additional parking.

Prior to the Commission's approval of the conditional use permit, the applicant had already secured shared parking agreements with the neighboring property owner and tenants to the south. These shared parking agreements provide the church with the additional parking needed to meet minimum city parking standards. Therefore, mitigation for potential parking impacts was not deferred as part of the project environmental assessment.

As a condition of the use permit approval, the applicant was required to secure additional shared parking agreement(s) to supplement the existing agreements. The additional agreements would also serve as a 'fall-back' parking supply should the existing agreements be terminated for any reason. However, as a condition of the use permit approval, the Commission required the existing shared parking agreements to be recorded. By doing so, it ensures the long-term availability of off-site parking for the church and eliminates the need for additional shared parking agreements.

(d) The Project's exposure to sensitive receptors from noise and air quality impacts.

Currently, there are no sensitive receptors in the immediate project area. The only sensitive receptors would be generated by the proposed use itself. One of the objectives of the California Environmental Quality Act (CEQA) is to disclose to decision makers and the public the significant environmental effects proposed activities would have on the surrounding environment. The proposed church would not have significant noise or air quality impacts on the surrounding environment, including sensitive receptors.

(e) The Project's interference with Emergency Response Plan or Emergency Evacuation Plans.

As part of the environmental review process, the lead agency is required to determine whether a proposed use will "Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan." Venture Corp claims the proposed church use will interfere with the emergency response plans and/or emergency evacuation plans of the surrounding industrial businesses. However, CEQA clearly limits the review to adopted emergency response plans or emergency evacuation plans. The City of Morgan Hill has an adopted Emergency Operations Plan. According to Bob Kelley, Coordinator of the Office of Emergency Services for the City of Morgan Hill, the proposed church use would not impair or interfere with this adopted plan.

(f) The Project's conflict with applicable zoning plans or policy adopted by the City, such as the City's Planning and Zoning Code specifically relating to the Project's conditional use permit and school and/or daycare uses.

In the ML, Light Industrial Zoning District, all Group E occupancies which involve day care are prohibited. Group E occupancies include any building used for educational purposes. The church proposes to provide after-school tutoring and classes on Mondays, Tuesdays, and Thursdays. Venture Corp claims these after-school tutoring and classes constitute day care uses. Staff contends that the after-school tutoring and classes are educational and instructional uses, and therefore, not prohibited in the ML Zoning District. In fact, the Planning and Zoning Code specifically lists "public or quasi-public uses of an educational, vocational or recreational nature" as conditional uses in the ML Zoning District. It should also be noted that the conditional use permit requires all children to be picked up within one-half hour following the conclusion of tutoring/class sessions, further distinguishing the educational uses from day care.

CONCLUSION/RECOMMENDATION

Based on the responses provided above, Staff does not feel Venture Corp's Notice of Appeal provides sufficient grounds for denial of the church use in the Morgan Hill Ranch Business Park. Therefore, Staff recommends adoption of a resolution denying Venture Corp's appeal and upholding the Commission's approval of use permit application UP-03-07: Jarvis – Generations Foursquare Church.